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## Southeast Asia Report

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25 February 1986

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INTER-ASIAN AFFAIRS

SOVIET ADVANCES TOWARD ASEAN MEMBERS ANALYZED

HK060512 Hong Kong AFP in English 0423 GMT 6 Feb 86

[Article by John Thomas]

[Text] Singapore, Feb 5 (AFP)--The Soviet Union is striving for better relations with non-Communist Southeast Asia--a move which some foreign diplomats here see as a bid to counter growing Chinese and U.S. influence in the Far East.

Moscow's push in member-states of the Association of Southeast Asian Nations (ASEAN) appears to be centered here, where the Soviet Embassy has been particularly active in recent weeks, inviting reporters to two press briefings to discuss Soviet initiatives and one informal meeting with the ambassador.

Singapore, an ASEAN hardliner on the Cambodian issue, was apparently chosen because there are a large number of foreign correspondents here responsible for coverage of Southeast Asia, diplomatic sources said.

Moscow signaled its desire for improved ties with an initiative last month on Cambodia, amid indications that it was also pressing its Indochinese allies to cooperate.

Soviet diplomats here described the push as part of a global effort by the new Kremlin leadership to ease East-West tensions, but some Asian and Western diplomats here link it to Moscow's fears of being left behind China and the United States in the race for influence in the Far East.

One Asian diplomat said the move also reflected Moscow's concern about the political and economic cost of itself and its allies of the long Cambodian conflict in terms of relations with ASEAN and its member-states' budding economies.

"We are patiently trying to improve relations" between Moscow and ASEAN and "help bring about cooperation between ASEAN and the Indochinese states--Vietnam, Laos, Cambodia--to their mutual advantage," a senior Soviet diplomat said.

One political analyst noted that Moscow was making use of the very issue--Cambodia--which alienated ASEAN several years ago to now make overtures of friendship.

The Soviet Union, through its multimillion-dollar economic and military aid to Vietnam, is seen as the force behind Hanoi's military hold on Cambodia since Hanoi toppled the pro-Beijing Khmer Rouge regime in early 1979.

A Singaporean diplomat, while saying he remained skeptical, observed that the new overture indicated a significant easing of the previous Moscow-Hanoi stance that the situation in Cambodia was "irreversible."

Other diplomats noted that the present move came at a time when several ASEAN members were looking to Eastern Bloc nations to offset a fall in exports to traditional Western markets due to the recession and growing protectionist sentiment.

The Soviet drive began with Deputy Foreign Minister Mikhail Kapitsa stating Moscow's preference for a political settlement in Cambodia as a scene-setter to the Vientiane meeting of Indochinese foreign ministers which proposed talks among the warring Khmer groups and a conference of interested countries.

The element, diplomatic analysts said, was a more conciliatory approach to the Khmer Rouge. Past proposals for talks failed to get off the ground because the Indochinese group rejected the pro-Beijing Khmer Rouge while ASEAN refused to recognize the pro-Hanoi government in Phnom Penh.

But according to the Vientiane proposal, the Heng Samrin government in Cambodia had agreed to talks with representatives of the Khmer Rouge who were not linked with the leadership of Pol Pot and Ieng Sary held responsible for the Khmer Rouge's bloody rule between 1975 and 1978.

This was nearer the ASEAN proposal last year of talks between a coalition of the three Cambodian groups--the Khmer Rouge, the Khmer People's National Liberation Front and the Sihanoukist National Army--and a Vietnamese delegation, including Heng Samrin representatives.

Diplomatic sources here said meanwhile that ASEAN members were quietly considering face-saving options to get the talks moving.

The latest ASEAN thinking had been put to Austrian Foreign Minister Leopold Gratz, the new president of the International Conference on Kampuchea (Cambodia) [ICK] which is the U.N. body dealing with the problem, during his tour of four ASEAN countries ahead of his visit to Hanoi which started Wednesday.

ASEAN, made up of Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand, has always favored a political settlement arrived at by the ICK leading to the unconditional pullout of Vietnam's 150,000-170,000 troops from Cambodia followed by U.N.-supervised elections in the country.

ASEAN has so far rejected proposals for direct talks between the Cambodian guerrilla grouping and the Heng Samrin government for fear this would imply recognition of the Phnom Penh regime's legitimacy. But in private, some ASEAN members are known to take a softer line on the matter.

Western diplomatic sources say the influence of China has blocked an ASEAN compromise that might get talks started among the Cambodian factions.

A solution to the Cambodian problem is also of concern to ASEAN's main backer, the United States, which has made its first timid steps towards fence-mending with Vietnam. Moscow is counting on that factor to influence ASEAN to ease its stance, the diplomatic sources hold.

ASEAN members are expected to meet with President Ronald Reagan in April when he makes a brief stopover in Bali, and the new Moscow initiative is bound to be discussed, diplomatic sources said.

Soviet diplomats meanwhile said they were looking to visits to Moscow by Malaysian Prime Minister Mahathir Mohamad and Indonesian President Suharto this year following Soviet Deputy Premier Yakob Ryabov's visit to the two countries last autumn.

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CSO: 4200/661

AUSTRALIA

OPPOSITION DELEGATION PRAISES INDONESIAN MIGRATION PROGRAM

HK050800 Hong Kong AFP in English 0642 GMT 5 Feb 86

[Text] Sydney, Australia, 5 Feb (AFP)--An Australian opposition delegation which has just returned from Irian Jaya today commended the controversial transmigration programme in the Indonesian province.

Liberal Party frontbencher David Connolly, who led the four-man mission to Irian Jaya last month, told reporters that the mainly Melanesian population could not realistically expect to keep the province to themselves.

Transmigration was a practical necessity in a province where only 1[?] million Irian Jayans occupied 20 percent of the territory of Indonesia which had a total population of 162 million, he said.

The Indonesian Government has moved some 85,000 people, mainly from Java, to Irian Jaya in the initial stages of the programme.

Despite cultural and religious problems, Mr Connolly said that "in time there's not the slightest doubt that there will be a fusion of cultures."

Not all Melanesian-Irian Jayans opposed the policy, particularly the developing middle classes, like soldiers and public servants, who wanted development in the province, he said.

Mr Connolly added that it was time for Australia to improve its relations with Indonesia, though observers said an amelioration process was already under way following the successful visit to Australia last December by Indonesian Foreign Minister Mokhtar Kusumaatmadja.

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CSO: 4200/677

AUSTRALIA

ARTICLE DETAILS PROBLEMS IN AGRICULTURE

HK050701 Hong Kong SOUTH CHINA MORNING POST in English 5 Feb 86 p 2

["View From Down Under" column by Frederick Saville: "Farmers Reap a Disaster"]

[Text] The message this year from Australia's Annual Agricultural Outlook Conference which the Bureau of Agricultural Economics [BAE] organises annually is that primary industry faces its worst year ever. Seven percent of all farmers, and 10 percent of wheat farmers, face ruin, because they cannot service their debts.

After allowing for inflation, Australian farmers are having their worst year for 9 years. Average income on family farms will be down to A\$6,700 (about HK\$36,850). Since there are 1.8 farmers to each family farm, that means an average income per farmer of A\$3,800 (about HK\$20,900), which is far lower than the national average.

After allowing for the effects of falling land values, the real return on capital and management will be minus 6 percent.

Falling world prices have eroded the gains from the depreciation of the dollar, seasonal factors have reduced production, domestic costs have squeezed farmers, but the last straw has been sharply rising interest rates on debts, which have increased because of the other factors.

The total farm debt is probably now about A\$8 billion (about HK\$44 billion). The average farm debt is around A\$80,000 (about HK\$440,000). The level of farm equity--of debt free ownership--is 89 percent.

Worst hit are the wheat farmers. Half of them have debts greater than A\$80,000 and one in every eight has debts greater than A\$260,000 (about HK\$1.43 million), at rates of interest rising to 21 percent.

Farmers who borrowed overseas because rates were lower have suffered devaluation effects up to 33 percent.

Graingrowers in general and wheat growers in particular are caught in the middle of a massive trade war between Europe and the United States.

The European Community's agricultural support schemes have turned Europe from being a food importer to being a food exporter by making the intensive use of fertilisers into an economic proposition.

Their grain exports have cut into Australian markets around the world and lowered commodity prices around the world by A\$1 billion (about HK\$5.5 billion) a year.

The United States, which is the world's major producer and exporter of agricultural commodities has responded with a farm bill which will do for American farmers what the common agricultural policy has done for European farmers--it will enable them to export at prices which are subsidised to make them competitive with Europe.

Europe and the United States have the industrial economies to support this exercise in global irresponsibility, at least in the short term. But when two elephants fight, it is the grass which suffers. The grass, in the elephant metaphor, is the rural sectors of Australia, Canada and New Zealand.

The Primary Industry Minister, Mr John Kerin, estimates the cost to the Europeans and the United States of their support schemes at more than A\$70 billion (about HK\$385 billion) each, and says, not unreasonably, that it is a fight which Australia cannot get into.

For wheat growers, the consequence will be an average income this year of minus A\$7,500 (about HK\$41,250), with the outlook for next year even worse.

In western Australia, where wheat growers on light country must use heavy quantities of fertilisers, interest on debts rose 17 percent last year and is estimated to rise by 34 percent this year, while farm values are down by 20 or 30 percent.

The BAE, an Australian Government instrumentality, expects the return from exported wheat this year to fall by A\$4 (about HK\$22) a tonne to A\$177 (about HK\$973.5), and to fall by a further A\$14 (about HK\$77) a tonne next year to A\$163 (about HK\$896.5).

Apart from Europe and the United States, China has freed up its collectivist system, allowing the introduction of incentives for farmers, resulting in an increase in production in what was once a very useful Australian market.

The BAE's Mr Roger Rose told the conference that about 40 percent of the value of wheat at point of export was in the form of costs incurred off the farm, and that there was a high degree of government involvement in the handling, transport and marketing of wheat (and other agricultural produce, for that matter).

"Ensuring that the individuals within the off-farm sector face the same kinds of incentives (as farmers) to minimise costs may be the most effective way of maintaining a viable wheat industry," Mr Rose said.

The key element in this is the power of Australian trade unions which have ensured overmanning and waste in the distribution and marketing of Australian agricultural produce.

Mr Kerin denied during the conference that the government was indifferent to the problems of farmers because they do not vote for the Australian Labor Party.

The government may well be indifferent to the plight of individual farmers-- Mr Kerin contemplated with some equanimity the prospect that farmers' protests might get out of hand and affect public opinion in the cities.

But there is increasing awareness in the government that the rural crisis threatens the well-being of all Australians.

If employment is to continue its gradual rise, and if living standards are to be maintained and improved, Australia's productive capacity has to increase.

The only way to do this is through investment. Apart from considerations of confidence and interest rates, this means increased imports.

As the experience of depreciation illustrates, Australia has to import both capital goods and some manufacturing inputs, no matter what the exchange rate.

Imports can only be paid for with exports, or with debts. Already one third of export earnings go to service the overseas debt.

The threat to agriculture from trade wars, slack markets and high and rising Australian costs is a threat to 40 percent of Australia's exports, and thus to the earnings required to finance growth.

The rural crisis is more than tough luck for farmers today. It is a national crisis for the whole country, in the medium term, as balance of payments and debt problems come to bear more heavily on the value of the currency and the level of economic activity.

/9604  
CSO: 4200/677

AUSTRALIA

BRIEFS

ALP EXPELS LEFT-WING MEMBER--The National Executive of the Australian Labor Party has voted to expel a prominent left-wing member, Mr Bill Hartley. The vote of the executive meeting in Melbourne was 11 to 7 in favor of the expulsion move which was made against Mr Hartley because of his outspoken criticism of the federal and Victorian governments. Mr Hartley, a leading member of the Socialist Left faction of the party in Victoria, has also created controversy in the party over his pro-Arab stance. He has already indicated that any expulsion move against him would take considerable time because he would appeal through both the courts and the party itself. [Text] [Melbourne Overseas Service in English 0430 GMT 3 Feb 86] /9604

MALTESE PRESIDENT VISITS--The president of Malta, Miss Agatha Barbara, has arrived for a week-long visit to Australia. Miss Barbara will meet local manufacturers in Melbourne later in the week to discuss the possibility of setting up factories in Malta. There are some 300,000 Maltese in Australia, about the same number living in Malta. [Text] [Melbourne Overseas Service in English 0830 GMT 3 Feb 86] /9604

HAYDEN DEPLORES ISRAELI INTERCEPTION--Australia has condemned Israel's interception of a Libyan executive jet this week which was thought to be carrying Palestinian guerrillas but which turned out to have only Syrian and Lebanese politicians on board. The foreign minister, Mr Hayden, said the Australian Government deplored the action. He said such an interception could scarcely ever be justified and certainly was not in this case. Mr Hayden said he could understand Israel's motive in seeking to act against international terrorism, but that did not justify the interception of a civil aircraft in international airspace. [Text] [Melbourne Overseas Service in English 0830 GMT 6 Feb 86] /9604

TRADE MINISTER VISITS U.S.--The minister for trade, Mr Dawkins, has arrived in Washington for talks with American trade officials. Radio Australia's Washington correspondent, Jim Middleton, says wheat, beef, and sugar are the specific commodities of concern to Mr Dawkins--sugar because the United States is reducing imports, wheat and beef because of the impact of American subsidies on Australian prices and markets. In a statement on his arrival, Mr Dawkins said he viewed with dismay policies recently

adopted by the United States which would contribute to the breakdown of an already unstable world market heavily under threat from predatory trading practices. Middleton says that during his 2 days of talks Mr Dawkins will also seek regular, possibly annual, ministerial trade talks with the United States like the negotiations Washington already has with the European Economic Community, Japan, and Canada. Apart from talks with the American special trade representative, Mr Dawkins will also meet the secretaries of agriculture, commerce, labor, and state. [Text] [Melbourne Overseas Service in English 0430 GMT 10 Feb 86] /9604

CSO: 4200/677

BURMA

VON WEIZSAECKER SPEAKS AT BURMA BANQUET

LD051644 Hamburg DPA in German 1416 GMT 5 Feb 86

[Excerpts] Rangoon, 5 Feb (DPA)--President Richard von Weizsaecker has encouraged Burma to proceed further along its path of "positive neutrality" and independence in foreign policy. Weizsaecker said at a banquet held in his honor in the capital, Rangoon, that Burma's path of nonalignment had convinced the world. Von Weizsaecker, who arrived in Rangoon this afternoon accompanied by Development Aid Minister Juergen Warnke, is the first head of state from the FRG to visit this state in the Far East.

Von Weizsaecker paid tribute in his speech to the trusting relationship that has developed between the two states since the establishment of diplomatic relations in 1955. German firms have made important contributions to Burma's economy in the past 30 years. The guiding thought here has been cooperation for mutual benefit. The fact that Burma has not sought a "jack-of-all-trades type of development," but carefully selects from the range of technology offered by the industrialized world that which strengthens the country's economy without harming its old culture and its self-assured identity, is viewed in Germany with respect and sympathy, he said.

/8309  
CSO: 4620/26

BURMA

FURTHER NOTICE ON REFUNDS OF DEMONETIZED MONEY

BK311338 Rangoon Domestic Service in Burmese 1330 GMT 31 Jan 86

[Announcement of the Refund Scrutiny Central Body of the Socialist Republic of the Union of Burma on matter of issuing Demonetized Currency notes-- dated 31 January 1986]

[Text] 1. Legal tender currency notes have been issued in exchange for the balance left in banks to the working people and to organizations concerned which have deposited up to 1,000 kyat from 1 January this year in the first stage and those who have deposited more than 1,000 kyat and up to 3,000 kyat from 20 January 1986 in the second stage.

2. In the third stage, arrangements have already been made by the banks on behalf of the Refund Scrutiny Central Body to issue legal tender currency notes to the working people and to organizations which have deposited more than 10,000 kyat. Refunds for this are to be made beginning Monday, 3 February 1986 from 0900 to 1500 on working days. Refunds will be made at the same banks where the demonetized notes were deposited.

3. Refunds will continue to be made to the working people and to organizations which have deposited up to 1,000 kyat and those who have deposited from more than 1,000 kyat and up to 3,000 kyat.

4. In drawing the refund, the people are required to produce the original deposit form and the national or foreigner registration card which was used at the time of depositing the demonetized notes.

5. If the person who signed the demonetized notes deposited the notes himself, his national or foreigner registration card must be produced in drawing the refund. If the person who signed the demonetized notes did not deposit the notes himself, then national or foreigner registration cards of both the signatory and the depositor must be produced.

6. Refunds will be made only upon furnishing the aforementioned national or foreigner registration cards and the original deposit form.

7. Further announcements will be made for those who have deposited about 3,000 kyat and up to 10,000 kyat as it takes time to scrutinize these.

/9738  
CSO: 4211/25

FIJI

ALLIANCE PARTY FUNDING BY U.S. CHARGED

Suva THE FIJI TIMES in English 20 Jan 86 p 4

[Text]

The Alliance Party was being funded by funds from the United States, claims the Fiji Labour Party vice-president, Mr Mahendra Chaudhry.

The FLP was also investigating a case where aid money was used to build a Minister's house he said.

Mr Chaudhry made these allegations when addressing about 100 people at an FLP meeting at the Malolo Sangam Temple in Nadi on Sunday afternoon.

"US aid is being used to fund the Alliance Party", Mr Chaudhry said.

He said that once they had completed their investigations, they would make a public statement.

Mr Chaudhry also criticised the National Federation Party for "joining with the Alliance Party and attacking the FLP".

"The NFP should act as an Opposition and fight the Government, but instead they are fighting us," Mr Chaudhry added.

The FLP's general secretary, Mr Krishna Datt, questioned the Government on the 8000 jobs it promised when it imposed the wage freeze.

"Where are the jobs? The Government is quiet about this," Mr Datt said.

"Now that the wage freeze is nearly over, they still have not produced the 8000 jobs promised," Mr Datt said.

Mr Datt highlighted rumours that the Attorney-General, Mr Qoriniasi Bale, would be shifted from his post through a Government reshuffle soon.

He said he knew that the Alliance Party was planning to hold the General Election in August, during the school holidays.

"The PM is trying to catch us flat-footed but we are ready to take them on any time," Mr Datt said.

On the Channel Nine deal for television in the country, Mr Datt said the Government was not saying how much was involved.

Mr Datt also called for a pension scheme for all old-agers in the country.

FLP president, Dr Timoci Bavadra, expressed concern at rising crime in the country.

Dr Bavadra also spoke on the rising cases of corruption and called for independent bodies to be asked to look into these.

/9274  
CSO: 4200/657

FIJI

## DROUGHT HITS SUGAR CROP

Suva THE FIJI TIMES in English 20 Jan 86 p 1

[Article by Asha Lakhani]

[Text]

About 200,000 tonnes of cane in a drought-hit sector between Ba and Tavua could be lost.

This could mean a loss of more than \$4 million to the 1500 cane farmers in the two sectors of Baravu and Tagitagi, the area worst hit by the drought.

The two sectors have had no rain since late December. About 30mm of rain on Friday afternoon is regarded as negligible.

The chief executive of the Fiji Sugar Corporation, Mr Rasheed Ali, described it as "a breathing space — a little bit of reprieve".

Mr Ali surveyed the area on Friday, accompanied by the chairman of the Fiji Sugar Commission, Mr Gerald Barrack, and FSC's research manager, Mr Krishnamurthi.

Speaking to The Fiji Times afterwards, Mr Ali said he had "very grave reservations" about the ability of the crop to recover even if the rains did come within a week.

"The whole of the cane area is disastrous for the farmers," he said.

Mr Barrack described the situation in the area as "serious" and

said the industry would consider some relief for the farmers who were "suffering seriously".

The matter would be raised at a meeting today of the industry's co-ordinating committee comprising Government officials and industry personnel, he said.

Mr Ali said the situation in the two sectors would be closely monitored over the next few weeks to see how the crop reacted.

"It is a matter of tremendous concern to me. We need enough rainfall to really make the crop grow, and not just survive," he said.

The crop would need at least a 100mm of rain as a "starter" and then between 50-100mm every 10 days to really get going. Mr Krishnamurthi said.

Even then he does not expect it to make a 100 per cent recovery.

Mr Ali said there were "mixed views" on whether the crop stood a chance of pulling through.

While the FSC held "grave reservations" the farmers themselves were rather hopeful.

"Most of them are still feeling that with some rain the crop would recover," he said.

The crop, still in the "barrel stage" and only about 4-5 months old, had not grown for two months.

While the Baravu-Tagitagi stretch is believed to be the worst hit pocket, other areas like Karavi, on the Lautoka side of Ba, were badly affected as well.

The Baravu-Tagitagi sector is said to be suffering from a rain shadow effect.

FSC figures show that while Navatu, about a kilometre away as the crow flies, had about 50mm rain on Thursday, the Baravu-Tagitagi stretch had no rain at all.

Mr Ali described the area as "looking pretty dry and parched out" with just little pockets of greenery along the coastal strips.

Asked whether the irrigation machinery given under Australian aid in the 1983 drought could not be used to help the farmers at all, Mr Ali said this had been considered.

But there were no big creeks that could provide a source of water. The nearest were the Ba and Tavua rivers, and these were too far away.

In about three weeks the FSC would be able to ascertain whether the crop had a chance of recovering, Mr Ali said.

/9274  
CSO: 4200/657

INDONESIA

MOKHTAR SAYS TIES WITH AUSTRALIA, PNG IMPROVE

BK061518 Jakarta International Service in English 0800 GMT 6 Feb 86

[Text] Foreign Minister Mokhtar Kusumaatmaja said that there has been a considerable improvement during the last 3 months in relations between Indonesia and Australia, and Papua New Guinea. Speaking before a working meeting of the commission [word indistinct] of Parliament in Jakarta yesterday evening, the minister said that his recent visit to Australia has been successful in clearing misunderstandings between the two countries. Both Australia and Indonesia have expressed serious good will and intentions to concentrate more on improving cooperation in common fields.

On the possibility that Indonesia becomes an observer in the South Pacific Forum, Minister Mokhtar said that it is necessary to make some preliminary observations first, including those concerning the status of the South Pacific Forum.

Asked about the prospects in Indonesia-Papua New Guinea relations, the minister expressed his opinion that those in Papua New Guinean prime minister's statement, it is expected that there will be no change in his country's foreign policies, especially concerning Indonesia [sentence as heard]. This opinion, he added, had been reiterated by PNG Foreign Minister Legu Vagi during a recent visit in Jakarta.

/12712  
CSO: 4200/666

INDONESIA

AGREEMENT AMONG TIMOR RESISTANCE GROUPS

Lisbon TEMPO in Portuguese 20-26 Dec 85 p 40

[Text] Fretelin and the UDT have agreed to adopt immediately a common platform of understanding with a view to resolving the Timorese question from a global perspective. The news arrived at the deadline of this edition and names Jose Ramos-Horta and Moises Amaral as mediators of the accord. Wednesday, in the Assembly of the Republic offices of the parliamentary group of the CDS 10 years of disagreement on strategy were ended. According to a source close to Fretelin, "now we are going to work together."

For Anacoreta Correia of the CDS, it is "the end of a series of conversations with both parties that goes beyond the difficult problems that had prevented Fretelin and the UDT from agreeing."

Meanwhile, in a press conference yesterday morning in Lisbon, Jose Ramos-Horta, Fretelin's secretary for international affairs, expressed his worry over the fact that Timor "is not receiving the attention it deserves on the part of the presidential candidates."

With regard to U.S. Democrat Tony Hall's latest actions in the House of Representatives, TEMPO has verified that the congressman has just presented a new motion condemning the continuing rights violations in East Timor and the inability of the international Red Cross to carry out its humanitarian aid program to victims of the conflict that continues to smolder between Falintil and the Javanese occupiers.

Meanwhile in Paris, LE MONDE stated that powerful geopolitical and economic reasons have probably induced Australia to back off on its previous policies with regard to Timor, principally those to which the Labor party committee itself in many of its congresses.

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CSO: 3542/56

INDONESIA

BRIEFS

ENVOYS PRESENT CREDENTIALS--President Suharto received the credentials of two new ambassadors at Merdeka Palace, Jakarta, on 29 January. They were Aloya Uwimana of the Republic of Rwanda and U Than Hla of the Socialist Republic of the Union of Burma. [Summary] [Jakarta THE INDONESIA TIMES in English 30 Jan 86 pp 1, 2 BK] /12712

CSO: 4200/666

MALAYSIA

PROBLEMS IN DIRECT TRADE WITH CHINA DISCUSSED

Kuala Lumpur UTUSAN MALAYSIA in Malay 28 Dec 85 p 8

[Editorial: "Direct Trade with China"]

[Text] Apparently it is difficult to create direct trade channels between Malaysia and the People's Republic of China. Although it has been agreed that direct trade between traders of these two countries should be encouraged, the progress achieved to date can be said to be very disappointing.

For instance, when Tun Razak was prime minister, an understanding was reached to permit PERNAS [National Corporation] to act as the sole importer of commodities from China during the mid-seventies. More than 10 years later, however, it appears that 60 percent of the trade between Peking and Kuala Lumpur is still being handled through third parties based in Hong Kong or Singapore.

Clearly Chinese traders are still leaning toward maintaining the traditional trading links they established a long time ago. However, at the time the understanding was reached, this was perhaps acceptable to Malaysia since Peking and Kuala Lumpur had not yet established diplomatic relations nor direct trade. The situation is different now, and we, of course, hope trade can be arranged directly between the traders of both nations.

As proof of our great desire to achieve this end, Prime Minister Datuk Sri Dr Mahathir Mohamad, on a recent visit to Peking, took with him a large trade delegation. However, it is too much to expect that this visit will end the third party trade of Chinese traders.

We draw this conclusion because we know that it is very difficult to change habits in this world. This is true for the Chinese traders who to date have only sold their commodities through known channels and where payment is assured.

Clearly other than expecting Chinese traders to make changes, our traders should also make an effort to establish two-way commercial relations. We know that it is not easy to take such initiative, as Dr Nawawi Mat Awin, chairman of the Malay-Chinese chambers of commerce and industry, has explained.

Nevertheless, such efforts must be increased because the Chinese market has a potential which could be profitable for us. In addition, many of the commodities that Peking wants to buy, both raw materials and manufactured items, are available in this country.

MALAYSIA

PROBLEMS WITH ILLEGAL IMMIGRATION REVIEWED

Cost of Repatriation

Kuala Lumpur BERITA HARIAN in Malay 24 Dec 85 p 1

[Text] Kuala Lumpur, Monday [23 December]--The government has calculated that it had to spend almost \$1 million [Malaysian dollars] this year to repatriate some 20,000 illegal immigrants.

A government source said this includes ship and bus fare and food for illegal immigrants detained at police stations.

BERITA HARIAN was informed that of the almost 20,000 aliens repatriated this year, 14,000 were Indonesians, 3,000 were Thais, and the remainder came from Bangladesh, Burma, India, and the Philippines.

Editorial Urges Indonesian Cooperation

Kuala Lumpur UTUSAN MALAYSIA in Malay 23 Dec 85 p 8

[Text] To ensure that the arrival of workers from neighboring Indonesia would be done in an organized way, we signed an agreement on this matter with Jakarta on 12 May. Under that agreement, which was signed in Medan by Datuk Musa Hitam, deputy prime minister, and Mr Sudomo, the Indonesian manpower minister, only Malaysia could decide when and how many workers could be brought into this country.

This means that only when we needed more manpower than could be furnished by our own people, would we bring in workers from that neighboring nation. However, since that agreement was signed, the entry of workers from Indonesia apparently cannot be controlled. More workers than we requested entered the country illegally.

Proof of this are the more than 20,000 illegal immigrants who have been arrested and repatriated to their respective countries in the past year. Although this figure includes workers from India, Bangladesh, and Thailand, there is no doubt that most of them came from Indonesia because it is located nearby, thus making it easier for them to enter this country.

In addition, we have a long coastline opposite Indonesia. Datuk Radzi Sheikh Ahmad, deputy minister of home affairs, said more stringent measures have been taken to control this situation. However, it cannot be denied that for several reasons these measures have been unsuccessful.

One of them is that our personnel have only a limited capability to guard points of entry along the coast. No matter how good such guarding of our coastline may be, the alien workers escape from such control assisted by certain syndicates.

In addition, they are greatly drawn to this country especially to obtain work on the estates where workers are needed. Wages offered in Malaysia are higher than those they can obtain in their own countries so alien workers can raise their standards of living.

Actually, estate managers could help solve the problem of illegal immigration if they refused to employ those who come in illegally. The government should also obtain the cooperation of the Indonesian government at the initial stage before these workers take to the sea headed for this country. If this problem could be approached at this stage, we believe there would be fewer illegal workers.

#### Paper Invites People's Help

Kuala Lumpur BERITA HARIAN in Malay 27 Dec 85 p 10

[Text] The public's concern about the entry into this country of an ever increasing number of illegal immigrants is becoming more obvious. At the same time, their reactions to the illegal immigrants are becoming harsher and more worrisome. An increasing number are disgusted with the immigrants who violate the laws of this country by entering Malaysia illegally and competing with Malaysian workers in the labor market as well as those who are involved in criminal activities. For these reasons, they are becoming increasingly vocal in their urging of those in authority to take immediate steps to control the illegal entry of aliens and to take stern measures against those already in this country.

It is not very hard to understand why Malaysians have changed their attitudes toward the illegal immigrants. Those who earlier were ready to be accommodating toward the immigrants and to sympathize with their poor lot in life are more cautious now because more and more of them are entering the country illegally. This concern is becoming more apparent in the current economic recession which has resulted in an increasing number of this country's people being unable to find employment and being discharged from jobs they have held for a long time. Meanwhile, foreign workers, especially those who enter the country illegally, are willing to do whatever work is available and to work for lower wages.

The speed with which some people accused Malaysians of being lazy, of being too selective about what sort of work they do, or of expecting high wages further added to the concern of Malaysians. Statements such as these implied that immigrants, legal or illegal, had the right to be employed if they were ready to work at lower wages. Unfortunately, those who came to this conclu-

sion ignore reality. Naturally Malaysian workers expect a higher income because they have all sorts of financial obligations such as buying or renting homes, schooling their children, and those with a slightly higher income must also pay income taxes. An illegal immigrant is not subject to these requirements.

In view of the exacerbation of the illegal immigrant problem now, the task of controlling them should no longer be turned over wholly to the government and law enforcement agencies. It is ridiculous to think that the Navy, Maritime Police and the Immigration Service can control every inch of the sea and land frontiers of this country. Information gained from police activity in regard to illegal immigrants clearly proves that it is easy for them to slip into this country and obtain false documents.

The illegal immigrant problem is our problem because it is we, the public, who will suffer in the end if we do not fight against it as rapidly as possible. The problem will also hit us, the public, harder because of the irresponsible attitude taken by our society. According to information received, some people in this country harbor illegal immigrants because of family ties or because of greed. Some employers, individuals, and companies use illegal immigrant workers because they want to maximize their profits by paying low wages.

In view of this irresponsibility and customs that violate the law, changes must be made in the way we act to combat this problem. Illegal immigrants will not flood this country if no one will employ them. So, in addition to taking action against illegal immigrants, we must also use our influence on and penalize Malaysians who initiate their entry or employ them. This should be done in the same way as is done with respect to the drug problem. We must acknowledge that it is not enough for us to arrest and penalize illegal immigrants. All parties who are wittingly involved should be penalized. People who are loyal to this country must become the eyes and ears of the government in the effort to eradicate this problem. We sympathize with the straitened circumstances of the aliens who enter our country, but this does not mean that they can evade the law and regulations of this country. Furthermore, we do not prevent them from coming into Malaysia if they do so through legal channels.

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CSO: 4213/88

MALAYSIA

BRIEFS

1986 RICE SUBSIDY ALLOCATION--Kuala Lumpur, Wednesday [18 December]--The National Paddy and Rice Institute (LPN) was allocated \$268 million [Malaysian dollars] for next year's operations. This includes \$185 million to be used for paddy subsidies to Malaysian farmers. This was the largest of all allocations granted to agencies under the Ministry of Public Enterprises, which was allocated \$479 million for administrative and development expenditures. Haji Daud Datuk Taha, deputy minister of public enterprises, said the amount allocated to the LPN is proof that the government is resolved to aid the farmers and secure their income against a drop in the price of paddy. This year, the LPN received \$221 million of the total \$505 million allocated to the Ministry of Public Enterprises. Of that amount, \$170 million was allocated for the paddy subsidy. Haji Daud informed BERITA HARIAN today that in addition to its use for the paddy subsidy, the allocation was to be used to improve LPN services and for the resolution of various problems which have arisen to date. "The granting of this large allocation despite the current economic recession shows that the government is continuing to assist the farmers of this country," he said. Thirty million dollars was allocated for development, he said, to add to the number and expand paddy complexes. [Text] [Kuala Lumpur BERITA HARIAN in Malay 19 Dec 85 p 1] 6804

VISAS FOR PRC VISITS--Kuala Lumpur, Thursday [19 December]--In the first 9 months of this year, the Immigration Service issued 4,781 special permits for visits to China. According to a spokesman for that service, 5,219 permits were granted to those who wanted to go to that country. Those who want to visit China, the spokesman said, must obtain permission from the government prior to their departures, and each request for a visit to China is processed by the Immigration Service before permission to leave is granted. Only three categories of petitioners are granted visas to travel to China: those who have close relatives in that country, those who need immediate or special medical treatment, and those who are over 65 years of age. [Text] [Kuala Lumpur BERITA HARIAN in Malay 20 Dec 85 p 4] 6804

CSO: 4213/88

NEW ZEALAND

AUCKLAND, WELLINGTON PAPERS VIEW SITUATION IN PHILIPPINES

Poll, U.S. Attitude Analyzed

HK051450 Auckland THE NEW ZEALAND HERALD in English 27 Jan 86 p 6

[Editorial: "Squeeze on Marcos"]

[Text] Destiny seems to be crowding in on the ailing Mr Marcos. The disclosure in the United States of long-existing official documents that seem to disprove his claims to have been a Second World War hero show the depth of American disillusionment with a South-east Asian ally.

The Philippine President's popularity with his public was largely founded on his legendary wartime exploits. If they helped him to attain power 20 years ago, their proved fraudulence would help to oust him from office on February 7 as will recent United States congressional disclosures that the Marcos family has invested hundreds of millions of dollars in United States property.

Washington has supported Mr Marcos for two decades, even though he has been a ruthless autocrat presiding over a political and second system that enabled his cronies to grow rich by corruption. Of the ASEAN countries, its economic performance has been by far the weakest.

The assassination of the opposition leader Mr Benigno Aquino in 1983, and the President's failure to repair the consequent damage to public confidence in his administration proved too much for the Americans. In recent months they have delivered firm warnings on the need for political, economic and military reforms.

Incidents in the presidential election campaign could be a measure of President Marcos's growing desperation. Grenades tossed into a rally held by his chief political opponent, Mrs Aquino, have--rightly or wrongly--swivelled eyes in the direction of his regime. So has the murder and mutilation of a local chairman of the opposition campaign.

Mrs Aquino has charisma, but her political proposals for the Philippines, should she be elected on Friday week, remain a bit vague. Even so, Filipino

frustration with the Marcos record could make any or no policy seem better than the odorous political tactics it would supplant.

Mr Marcos has accused Mrs Aquino of being a tool of the communist-led New People's Army, now numbering about 15,000 guerrillas. But she said recently that if they refused to lay down their arms when she became president, she would fight them with every means at her disposal. Such a declaration must reassure Washington.

Perhaps even more comforting has been her pronouncement on the agreement by which the United States maintains its two military bases in the Philippines. She says it will be respected until it expires in 1991, and that, while the United States will be asked to leave as long as she is assured that no other power will intervene, "much can change" in the five years until then.

Just how much will change largely depends on Washington's ability to recognise that anything to the left of right does not necessarily represent a communist threat.

#### Marcos Role May Have Become 'Unsustainable'

HK051446 Wellington THE EVENING POST in English 29 Jan 86 p 6

[Editorial: "The Marcos Mana Is Under Wide Attack"]

[Text] Whatever the actual result of the Philippines' election due to be held on February 7, it seems that President Marcos's long rule over these strategically placed islands is coming to an end.

United States congressman Stephen Solarz, fresh from his attacks on the New Zealand Government's [word indistinct] and foreign policy, has now joined the ranks of Marcos's foes.

A first-class politician who has taken the unusual decision to try and make his name in the foreign affairs field, Mr Solarz has attacked the Marcos family's integrity by claiming persuasive evidence that they own at least \$US350 million worth of New York real estate.

These charges are just the latest in a long series of attacks which have gravely affected the embattled President's mana. Determined investigators managed to overcome the discretionary tactics of the U.S. Army archivists have discovered that there is no basis for Marcos's claims to have been a doughty guerrilla leader during the Japanese occupation of the Philippines. An opposition newspaper that questioned that war record in 1982 was closed down by the Government although subversion charges against them were later dropped. Now it is the NEW YORK TIMES that has reported on the notable lack of historical backing for Marcos's claims. This is a paper that cannot be ignored or closed down when its findings are unpalatable.

President Marcos's rule has long been threatened by a communist insurgency that has its roots, deep in the appalling inequities of Filipino society.

This communist threat takes on a larger shape for the West because of the United States' military bases in the country. There has been criticism for years that the United States, provider of so much aid to the Philippines, has overlooked allegations that these moneys are being diverted to private accounts. Thus, in spite of economic assistance coming into the country a poverty stricken segment of the population has had nowhere but the communist insurgents to turn to for hope.

But in the free world, no matter what is at stake, there is an inevitable time limit on the toleration of exploitative regimes. It is this worldwide distaste for President Marcos that is probably more dangerous to him than his election opponent, Corazon Aquino, whose husband was murdered in such strange circumstances on his return to the Philippines from exile in America.

Even though recent history showed in Iran after the fall of the Shah, and may yet show in South Africa, that one repressive system is likely to be replaced by something very much more bloody, Marcos's rule may have become unsustainable.

Opposition MPs have described Mrs Aquino as "the woman Moses who will lead us to the Promised Land." New Zealanders, so geographically close to the Philippines, and so helpless in strategic terms to influence events there, may not be as sanguine as Mrs Aquino's supporters.

/6662  
CSO: 4200/676

NEW ZEALAND

POLITICAL PARTIES LAY GENERAL ELECTION PLANS

HK050915 Auckland THE NEW ZEALAND HERALD in English 28 Jan 85 p 4

[Text] Planning for the next general election will kick off this week when the two major parties hold their first executive meetings of the year.

The ruling Labour Party executive meets on Friday to set a timetable for selecting candidates for an election which could be held at any time up to September 19 next year.

The Labour Party policy council will meet on Friday evening.

The National Party executive will meet tomorrow for a meeting which will be dominated by the continuing problem of the former minister of broadcasting, Dr Ian Shearer.

Last year, Dr Shearer was suspended from the party after raising questions at the party conference in July over the state of the party finances, loans to MPs and others, losses on the party headquarters building, and the reappointment of the party's general director, Mr Barrie Leay.

But his suspension was later lifted after legal advice, and at its last meeting in December the executive postponed a decision on whether to expel Dr Shearer until he had had a further chance to explain his actions in person.

But yesterday Dr Shearer indicated that it was unlikely that he would attend the executive meeting tomorrow.

He said he had drafted a letter to the party president, Mrs Sue Wood, explaining why he had raised the issues he had, and it would be posted as soon as his lawyer had sorted out certain "legal matters."

These included whether Mrs Wood would chair the meeting or hand it over to someone who was not "personally involved" in the wrangle, whether Dr Shearer and his lawyer would be able to question the executive, and whether the party would pay for their airfares to Wellington.

"If we have no assurances, most importantly on who will be in the chair and whether we will have an opportunity to question Mrs Wood and Mr Leay, and various other matters, then there would be serious doubt as to whether a fair hearing is likely," Mr Shearer said.

Mrs Wood declined to comment on any of these matters, which she said had been the subject of "protracted correspondence" with Dr Shearer.

But she said the top priority for the party at its meeting tomorrow and for the rest of the year would be selecting candidates to be ready for an election whenever it might be.

Under National Party rules, an electorate must sign up 2,500 members before it can select a candidate.

So far four electorates have done so, all with sitting National MPs. Marlborough will hold its selection meeting in mid-February, and Taranaki, Fendalton and Ashburton will follow by March.

The party hopes to select candidates in a further 20-odd marginal seats by July, and to have candidates in all remaining seats by the end of the year.

The chairman of the Auckland division of the party, Dr Ross H. Armstrong, said the five Auckland marginal seats of Pakuranga, West Auckland, East Coast Bays, Glenfield and Eden would have candidates by May or June.

The leader of the New Zealand Party, Mr John Galvin, said his party had a target of selecting candidates in 35 key seats by the end of May, and all the rest by the end of the year.

So far the only candidates selected are Mr Earle Thompson in Rodney and Mr Galvin himself in Matamata, where the sitting National MP, Mr Jack Luxton, may be retiring.

Mr Galvin, a dairy farmer, has hired a farm worker at party expense to free himself for fulltime political work from next week. He plans to spend at least three days a week canvassing in Matamata.

A full-time party headquarters is also expected to be reopened in Wellington in the first half of this year for the first time since the resignation of the former party leader, Mr Bob Jones.

Meanwhile, the leader of the Democratic Party, Mr Bruce Beetham, was canvassing at the weekend in the Hutt Valley.

The Democrats have already selected just over 10 candidates, and will hold their first council meeting of the year in Wellington on February 15-16.

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CSO: 4200/676

NEW ZEALAND

OPPOSITION ON GOVERNMENT'S 'KAMIKAZE' APPROACH TO ECONOMY

HK051440 Wellington THE EVENING POST in English 29 Jan 86 p 5

[Text] Time was running out for the Government and its "kamikaze" approach to the economy, the leader of the Opposition, Mr McLag, said yesterday.

Delivering a "state of the nation speech," he said this year the Government would learn that it could not survive on "political rhetoric" alone.

When it came to the crunch, the public wanted performance.

But Labour continued to blame its problems--from interest rates to air traffic control systems--on National.

"I am left to wonder at what stage of its administration the Labour Government is going to start taking responsibility for management of the country," he said.

With the prime minister, Mr Lange, saying 1986 was going to be worse economically than last year, the Government no longer deserved to hold the reins of power, he told the Mt Albert Rotary Club.

It had broken its word many times--on national superannuation, prescription charges, the milk subsidy and ANZUS.

"It has caused severe damage to the economy which may make recovery a very long-term exercise.

"It is masquerading as a government that supports an open and competitive economy when, in reality, state activity is expanding at an unprecedented rate."

Mr McLay listed three major problems that had to be dealt with by the Government:

Growth of the public sector.

The national award wage-fixing system and other problems with wage fixing.

The rapid decline of agriculture.

He said the increase in the size of government was reflected not just in a doubling of the number of means and income-tested social welfare beneficiaries, but also in the expanded role of government agencies and corporations.

"So far, the Labour Government has created three new departments and is in the process of creating others."

Since taking office, it had authorised the hiring of an extra 3,500 public servants.

He said National would reform wage-bargaining procedures to provide more flexibility, especially through enterprise or industry awards.

He attacked the Government's Green Paper on industrial relations for "not even addressing the possibility of voluntary unionism."

Mr McLay said the Government was happy to hand out \$5 billion in social welfare payments, but it could not find one-third of 1 percent of that to boost the much-needed work of the police.

The 40-hour working week was, said Mr McLay, no longer sufficient to meet the needs of some families.

With introduction of goods and services tax and family support in October, the Government would recycle money through the social welfare and taxation systems to help people who could not afford to pay their taxes.

Mr McLay said not one New Zealander voted for a Labour Government that was going to end the ANZUS alliance. Yet, clearly, that was now on the cards.

The Government's responsibility for national safety was absolute, he said. National would restore New Zealand to full and active membership of ANZUS.

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CSO: 4200/676

NEW ZEALAND

LANGE INTERVIEWED ON ASIAN, NUCLEAR ISSUES

HK030644 Hong Kong SOUTH CHINA MORNING POST (SUNDAY SPECTRUM supplement) in English 2 Feb 86 p 6

[Interview with New Zealand Prime Minister David Lange by Kevin Sinclair:  
"Lange Takes on the Big Guns"]

[Excerpts] Ask any New Zealander to use one word to sum up their popular Prime Minister, David Lange.

The adjectives are interesting:... honest, strong, correct, articulate, intelligent. These expressions of approval from his electorate would bring delight to any politician.

To me, if you had to use one word alone to describe David Russel Lange, 43, that would have to be "decent."

Of course, as in any democracy, there are the dissenting voices. "Bloody Fool," grunted one disenchanted voter to whom I put the question.

But vastly in the majority are those who respect and admire the young politician chosen, to the astonishment of many and somewhat to the surprise of David Lange himself, to lead the country.

As prime minister of a new Labor government elected in a stunning landslide in July 1984, David Lange was duty-bound and personally enthusiastic in making law party policies which banned the use of his nation's harbours to warships which were either powered or carrying nuclear weapons.

This put the country on a collision course with its mighty partner and long-time ally in the ANZUS defence pact, the United States. Some Washington politicians acted with outraged indignation when David Lange and the country he led stuck to their anti-nuclear guns. But they should not have been surprised; Lange in many ways reflects the quiet determination--stubbornness, perhaps?--that is so much a part of the national character.

He remains adamant today, despite "a menu of reprisals" threatened by America, that he will not budge. He says it quietly. But trying to move the prime minister and the people he represents on the question of the nuclear ban will be rather akin to attempting to throw Mount Cook into the Tasman Sea. No way!

The disgraceful invasion of their country by a team of clumsy French cloak-and-dagger killers intent on stopping anti-nuclear campaigners swung behind David Lange almost all the population which was not already in complete agreement with him.

"New Zealanders were outraged by the Rainbow Warrior affair," says David Lange today. Sprawled in a chair behind his desk in the Beehive complex in which New Zealand's Government is headquartered, David Lange is relaxed. He is a man of generous proportions, physically rumpled and ruffled with pink shirt undone and tie askew.

The Rainbow Warrior affair was so abhorrent to New Zealanders that the Lange government was forced to try to restrain outraged public opinion.

"They were swept up in their revulsion of the act," the prime minister explains. But there was no corresponding revulsion shown in Europe. And the consensus there was that the French had done something pretty silly to get caught like that and it was pretty plain to me that if we had not acted to cool the issue then France may have been able to trample on our interests in Europe."

Paris could have struck at the delicate question of New Zealand imports into the Common Market. Similarly, the United States could have taken economic steps to prod New Zealand towards political compliance. Such steps would not have achieved their aims, David Lange stresses.

The crux of the nuclear position so ardently embraced by a majority of Kiwis--the young, the old, students, labour, women's groups, people from the entire political spectrum--is not really a purely New Zealand issue.

The question is a more basic one; if New Zealand is allowed to get away with snubbing American might, could not other allies of the United States, notably Japan and Western Europe follow suit?

Put it to him straight... is he absolutely adamant that his government, come what may, is not going to change the policy that has brought it into confrontation with its most powerful protector?

David Lange leans forward across his desk. "No," he says softly. "We are not going to change our policy."

There are pragmatic as well as political reasons. It would be pretty stupid to change, he says.

"We'd be dog's tucker if we did," he says, using an old New Zealand saying about throwing out waste food for the farm dog. That is what would happen if Labor politicians backed down.

Despite his solid stand on anti-nuclear policy, David Lange is under no illusions about the growing Soviet fleet in the Pacific.

New Zealand's tiny navy has been alerted to watch for Russian ships. So have Air New Zealand planes and merchant ships.

"There have been Soviet quote research quote vessels seen off the Chatham Islands last year," he says. "What you can say about that is that it was manifestly not an armed vessel, but you'd have to be completely naive to believe they were looking for sprats.

"But the only really aggressive action taken in New Zealand waters since I was born was by a Zodiac dinghy run by the French."

But other issues are also occupying the time of the New Zealand leader, including the relationship with his Asian neighbours.

Question: New Zealand's relations with China have improved greatly in recent years. How do you see them developing in the future?

Answer: Our relationship with China has only really "taken off" since the end of 1972 when the third Labor government recognised the country and established diplomatic representation. Trade increased approximately 100 fold in the first 11 years and the recent goal to quadruple trade by the year 2000 certainly looks capable of fulfillment. The relationship has gone beyond the trade and business context. There is a tourist path to China well trodden by New Zealanders and exchanges of scientific, cultural and youth groups are becoming more frequent. I see that pattern continuing. There will be an expansion of trade interests with the development of joint ventures both within China and New Zealand and by the end of the century it is possible to conceive of, with the growth in the Chinese economy, a tourist presence by Chinese workers in New Zealand.

Question: Your country has traditionally prided itself on its harmonious race relations. But in recent years, tension and stress appear to have arisen between the Maori and Pakeha communities. Why? What is being done to bring together the various races in New Zealand together?

Answer: Comparatively speaking there is a harmonious race relations structure within New Zealand. It is correct that in recent years there have been some tension emerging and certain issues have become sometimes self-fueling symbols of continuing stresses in the relationship between the Maori and the Pakeha communities.

New Zealand can pride itself on handling a resurgence in some Maori identity, despite its potential for strain, better than most countries could have. There is a huge development of Maori awareness, a striving to preserve and expand the use of the language and a new awareness of the economic power of Maori land and trust interest. There is still a considerable shortfall in achievement in all levels of education, management and government. There is an over representation of non-Europeans in our penal institutions.

It is the primary role of government to see that no sector is disadvantaged and this will mean in the case of some that they will receive some preferment (usually called affirmative action). As a precaution against some of the worst excesses of racism there is legislation outlawing racism manifesting itself in job, housing or social endeavours.

Fundamentally, however, the question of goodwill rather than the law, and to some extent the office of race relations, is considerably useful in helping various ethnic groups to understand each other. There is a considerable influx of people from Indo-China. This is not a new development. Chinese migration to New Zealand is almost as old as general European migration.

There is a community of interest and resources which have been put to good use by those refugees who have rapidly adjusted and become proficient at the New Zealand life style while retaining their own traditions, culture and language.

Question: In recent years New Zealand has developed close ties with Asia. How do you see New Zealand developing--politically and in trade--as an increasingly important part of the Asian community. (I am particularly interested in trade, educational exchanges and aid; every time I go to China I bump into New Zealanders such as doctors or students sharing knowledge in diverse fields. How can New Zealand help China, develop her sheep industry, for example?

Answer: New Zealand has tried to see itself as part of the Pacific which has a strong Asian aspect and New Zealanders have been very resourceful (particularly the young) in exploring our Asian neighbourhood and have been remarkably good at sharing their expertise in technological or agricultural developments in those countries.

We have embarked upon technology sharing by consultancy contracts and in China are engaged in commercial consultative work in the area of grasslands management, herd diversification and breeding programmes. We have arranged for stud rams and sheep to be exported to China where on-breeding will continue.

Question: New Zealand has taken many Vietnamese boatpeople, a lot of whom came from camps in Hong Kong. How are they settling into the New Zealand community? Have they made a positive contribution to the life of the country? As conflict continues in Indochina, do you foresee your country accepting more refugees?

Answer: They have made a positive contribution to the life of the country in that they are a further infusion of entrepreneurial vigor and incurable optimism which is a passive rebuke to those New Zealanders who somehow think the world owes them a living. We will be taking more refugees and in proportion to our population our effort in welcoming Indo-China refugees is certainly at the top of the list.

Question: How would you describe New Zealand's relations with ASEAN? Would you like to see closer ties, a more formal link between Wellington and the nations of Southeast Asia? If so, how could this relationship be structured? What is New Zealand doing to bring pressure to bear on Hanoi to encourage Vietnam to end its invasion and occupation of Cambodia and to prevent the extinction of the Khmer nation?

Answer: We try to nurture a good relationship with ASEAN and with some of its countries have a very particular and close relationship. The group of high commissioners and ambassadors representing ASEAN countries in Wellington is often consulted by government and we strive to remain briefed on ASEAN aspiration and strategy.

We do not however see a formal structure to that relationship and we tend to deal with it by way of informal consultation leaving it to the post ASEAN meeting dialogue to allow for the formal consultations. I have to be in the Philippines this year for that dialogue.

We have taken a view on Vietnam which is consistent with the ASEAN position (and in that respect it has been slightly different from Australia) that while powerless to deter Vietnam we abhor their continuing occupation of Cambodia.

Question: As a major power in the South Pacific, how do you see New Zealand's role as a leader of the Pacific community of nations? What aid programmes, trade policies, educational links, do you see between Wellington and the small island nations?

Answer: New Zealand is well placed as a smaller nation to have good relationships with the even smaller nations of the Pacific and in particular the small island states. For many of those countries New Zealand is the place where their families have the second residence and where their sons and daughters went to school, later to emerge as leaders of the newly independent nations.

Our association with such countries has traditionally been in the area of education, medical assistance, preferential trade access arrangements and, by in large, that is the general line of the future relationship. There is a special role for New Zealand in natural disaster relief and our armed forces have a particular function which is unhappily called on year after year as a result of hurricane and cyclonic disturbances.

Question: The spectacular growth of the Soviet Pacific fleet is a cause of grave concern to many people and leaders in Asia. Do you feel Soviet sea-power poses a threat to the peace and stability of your region? What are your views about the potential dangers of the growth of a new military presence in the area?

Answer: We do not welcome the acceleration of any super-power presence in our area. The growth of the Soviet Pacific fleet is to be deplored. When however, you consider where it is and where we are we do not view its growth with the same sense of despondent urgency as those who are nearest to it would. This does not arise from any sense of complacency but simply from the fact that Italy is closer to Camranh Bay than New Zealand is.

Question: Are you absolutely adamant that you will stick to your non-nuclear shipping policy? What do you feel about the strong American reaction? Do you feel the threats of trade and diplomatic retribution smack of blackmail by a super-power against a small and friendly ally which is merely sticking to its principles? do you think other Pacific nations will follow your example and ban absolutely nuclear vessels?

Answer: Yes, we are not going to have nuclear weapons in New Zealand. We are aware of the strong American reaction and we also know that the United States can be relied upon to honour its word that it will not use trade sanctions as an instrument to achieve a foreign policy change by New Zealand and that, were

that to happen it would be seen as an oppressive act by a super-power against a small and friendly ally pursuing a democratically endorsed mandate for a policy stance.

The United States has been cautious of that and has limited its retaliations to the area of intelligence and defence cooperation and we are now engaged in a further consultation with the United States over a potential solution to this problem consistent with the determination of this government not to have nuclear weapons in New Zealand. Insofar as other nations are concerned each will view its future in the light of its defence strategy. Some might, some might not, it is a decision for each. For New Zealand it is a limited measure of arms control which is consistent with our security.

Question: With nuclear testing at Muraroa and the deteriorating situation in New Caledonia, French activities in the Pacific appear to be causes of friction and fighting. What action does New Zealand intend to take to persuade Paris to cease exploding bombs on the other side of the world? Why does Paris stick with such stubborn intransigence to a policy which brings it nothing but ill-will? As the leading Polynesian power, how does New Zealand see its responsibility in seeking a peaceful solution in Noumea?

Answer: The whole question of French activities in the Pacific has become very much more a question of domestic political concern in France than the pursuit of carefully calculated goals within the Pacific region. There is of course little that New Zealand can do to persuade France to stop exploding bombs in our part of the world. Our opposition to that is painted as some Anglo-Saxon intransigence which is evidence of the rightness of the French position and the perfidiousness of the New Zealand position.

There is a very particular concern however about the French interests in the Pacific and that is the problem of independence for New Caledonia. It is perfectly obvious that the march of history will dictate that there be an independent New Caledonia. France has taken some commendable and quite radical steps to bring that about but is now caught up in the internal politics of those issues and there is some pessimism that the devolution will proceed at the pace originally pretended.

New Zealand can be of some assistance but insofar as influence needs to be directed to the French Government we are currently not on first name terms.

Question: With 1997 looming ever larger on Hong Kong's political horizons, the vision of New Zealand as a haven of safety is increasingly attractive to our people. Could you outline your immigration policies and the likelihood of sizeable numbers of Hong Kong people finding sanctuary in your country.

Answer: New Zealand's immigration policy has been under review. It is almost certain that we will abandon the traditional migrant source country criterion when considering applications to migrate to New Zealand. This was a useful criterion but it has now outlived its usefulness and can be seen to have some unfortunate race connotations simply because our traditional migrant sources were all European.

We are going to come up with an immigration policy which will suit New Zealand's interests, be protective of our workforce but also allow for the coming to New Zealand of people with particular skills irrespective of where they have acquired them or where they have been residing. And we are going to pursue our entrepreneurial policy so that we will attract people to live in New Zealand who have a history of capital acquisition and the ability to create employment or economic growth.

Insofar as Hong Kong's success rested upon people who had entrepreneurial flair and a great deal of drive it is possible that those people, as I have said in Hong Kong, would find a place in New Zealand for their drive. It is not a view of the New Zealand Government that New Zealand should be a "sanctuary" or "a haven of safety." They would come to New Zealand because they had something to offer New Zealand.

Question: Hong Kong investment in New Zealand is already sizeable and is certain to increase. What are your thoughts about economic relations between Hong Kong and New Zealand?

Answer: We ought to have a greater degree of economic relationship between New Zealand and Hong Kong and I am grateful that the money movers in Hong Kong have seen fit to have such confidence in New Zealand. It will increase.

Question: New Zealand has a considerable aid programme. Can you outline present and future programmes which will include Asia?

Answer: Our aid programme will be centered largely on the Pacific. It has been in the past and it will continue to be in the future. Our aid programme for consultancy and government sponsored or overseas government contracted consultancies will however be extensive and developing in Asia itself.

Question: Comprehensive cultural and educational exchanges between New Zealand and Asian countries, particularly China, have been a welcome trend in recent years. What does the future hold in these fields?

Answer: We have had the New Zealand Ballet Company in China. No doubt there will be a great growth in cultural, sporting and educational exchanges. Being somewhat of a low brow I hope to have the Shanghai acrobatic troupe come to New Zealand before the Sing Co-Opera troupe comes again. I have seen them both and I remember with some nostalgia the acrobats.

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CSO: 4200/650

NEW ZEALAND

DOUGLAS ON MOVES TO REFINANCE FOREIGN DEBT

HK051512 Wellington THE EVENING POST in English 30 Jan 86 p 21

[Text] The government's restructuring of its overseas debt would eventually save many millions of dollars, the minister of finance, Mr Douglas, said today.

Mr Douglas yesterday announced moves to refinance existing overseas debt at lower interest rates or with an improved spread of currency risks.

"This reflects the Government's commitment to a very active programme of debt management aimed at reducing the debt serving costs burden which New Zealand incurred under the previous government," he said in a statement today.

Over the past year the government had reviewed the structure of the debt incurred by the previous government and found that large savings could be made in long-term costs.

"We then undertook an on-going programme to adjust the mix of currencies, and where possible achieve longer maturities, to diversify the overall balance of existing debt."

Mr Douglas said actions already undertaken in the programme included:

A 100 million pound floating rate issue last July which would save about \$700,000 a year through a lower interest rate than the debt being replaced.

A \$US200 million issue offered in New York in November with a 20 year maturity, the longest sought by New Zealand for some years in any currency except sterling, to refinance debt in other currencies.

A fixed-rate 25-year issue announced earlier this month of \$US150 million in the domestic U.S. market at 9.875 percent, the first time since 1979 a note of that kind had been issued with a coupon below 10 percent.

Yesterday's announcement of a further programme of U.S. dollar borrowing with U.S. interest rates at their lowest point for a number of years.

Mr Douglas said it was not possible at this stage to say exactly what the savings would be.

"But they are massive. The programme is worth many millions of dollars to the New Zealand taxpayer for a long time to come."

Since July 1984, the Government had borrowed \$6.1 billion overseas and made repayments of \$4.8 billion, leaving a net increase of \$1.3 billion in Government overseas borrowing.

As a result of the float of the dollar, the Government now had no requirement to borrow overseas except to refinance maturing debt or where it chose to increase overseas reserves, Mr Douglas said.

Any money borrowed over and above refinancing needs went into reserves, which now stood at about \$3 billion, compared with \$1.46 billion at the time of the election.

"We are now able to obtain significantly better deals on behalf of New Zealand than we could have under the previous government's policies," Mr Douglas said.

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CSO: 4200/676

NEW ZEALAND

GOVERNMENT TO REVIEW TRAINING PROGRAMS FOR OFFICERS

HK051434 Wellington THE EVENING POST in English 29 Jan 86 p 3

[Text] The Government will not abandon expensive training courses for Army officers, but is carefully reviewing these programmes, Defence Minister Frank O'Flynn said today.

He was responding to an Opposition claim yesterday that any refusal to allow senior New Zealand officers to attend overseas courses could lessen the quality of the nation's military leadership.

That claim referred to Mr O'Flynn's denial last year of an application for an Army colonel to attend a Canadian course--a decision overturned by Prime Minister David Lange on foreign policy grounds.

The POST asked Mr O'Flynn to comment on Opposition defence spokesman Doug Kidd's claims that he should have known the detail of overseas training trips at the time parliamentary estimates were prepared, and that failing to give top officers quality, expensive training would lead to "an African sergeant major-led Army in no time."

He replied: "There is no question of abandoning quality, expensive training for Army officers. The form that training should take, the level of it, and consequently the numbers involved are now being carefully reviewed. Training is not necessarily good because it is expensive."

Mr O'Flynn was also asked for comment on Opposition leader Jim McLay's claim that the issue of sending an officer to Canada was "indicative of just how difficult it is to get decisions out of that minister."

He replied: "There is no difficulty getting decisions out of me. Some are given the same day as I am asked, like approval to purchase the Timaru Harbour Board tug. Even the Canadian posting proposal was dealt with promptly by me.

"It was received about July 26; I deferred dealing with it until I had been to Burnham on July 30. I then awaited some information from the department and, in the end, I gave a negative decision on August 8--13 days after I received the application. "Some issues require much more analysis. Defence Review questions are a case in point, where decisions may be difficult."

Meanwhile, Mr O'Flynn said he would not release the text of a letter to him from the Chief of Defence Staff Air Marshal Sir Ewan Jamieson, which he referred to in his 12-page statement this week as confirming that actions within the Defence Ministry in connection with the Canada application had placed the minister in a "deplorable position."

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CSO: 4200/676

NEW ZEALAND

BRIEFS

SOUTH PACIFIC NUCLEAR-FREE ZONE CONSULTATIONS--A mission of Pacific countries, including New Zealand, is to take the South Pacific Forum's nuclear-free-zone treaty to five of the world's major nuclear powers. Foreign Affairs Deputy Secretary (Ces Beeley) says /begin recording/: We are not going to negotiate with them; we're going to listen to their questions and comments, and then what we have to do is report back to the South Pacific Forum, meeting again in August this year, as to whether or not any changes should be made, not to the treaty, which has been finalized, but to the protocols. And then I would expect /words indistinct/. /end recording/ (Ces Beeley) said the mission is to travel to China in 2 weeks and then go to Moscow, Paris, London, and Washington. /Text/ /Wellington Overseas Service in English 2300 GMT 13 Jan 86 HK/ 12228

CSO: 5200/4310

PHILIPPINES

BAYAN OFFICIAL WARNS OF POST-ELECTION REPRESSION

HK070709 Davao City THE MINDANAO DAILY MIRROR in English 19 Jan 86 pp 1, 7

[Text] The militant Bagong Alyansang Makabayan [New People's Alliance] (Bayan) which is boycotting the Feb 7 snap polls warned today that the rising salvaging and disappearances of city residents could be a prelude to a wider repression after the election.

Bayan-Mindanao Deputy Secretary-General Peter Lavina said the renewed violence in the city is a terror tactic of the regime and could escalate after the snap election.

He said the pattern of salvaging and kidnapping in the city, as well as in the whole country, is tied to the election.

Lavina said a crackdown after the polls is expected by both militant and moderate opposition as the US-backed Marcos regime unleash fascist repression, regardless whether Marcos will win or not.

He said the sham snap election was called by the US-Marcos dictatorship to perpetuate its rule, mount more violent assaults on the people and guarantee for US imperialism the continued use of the military bases in the country.

He said the flaunting of Marcos of the "red scare" is already laying the basis for him to attack his opponents after Feb 7.

Six persons picked up in various parts of the city last week remained missing as of yesterday while the body on one, Orando Obregon, 21, of SIR [expansion unknown] Matina, was found riddled with bullets at Ecoland.

Two more salvaging cases were also reported over the weekend.

In Mandug, residents complaining of terrorism by government paramilitary forces has started to evacuate including Muslim religious leaders.

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PHILIPPINES

SURVEY ANALYSIS REVEALS PESSIMISM IF MARCOS REELECTED

HK300206 Quezon City VERITAS in English 21-27 Jan 86 p 14

[Text] An analysis of one of the findings of the Philippine Social Science Council survey in September, reported in the WE FORUM issue of 17-23 [as published], made a connection between the likelihood of President Marcos being reelected and the economic situation worsening.

Of the 8,163 survey respondents 65.7 percent said a Marcos reelection was the most likely event to happen, with the people realizing only too well perhaps his vast resources and advantages over his opponents."

Interestingly, the survey also found that only 17 percent wanted Marcos to run again for the presidency, "although as many as 37 to 39 percent/may have little option but to vote for him/ [passage within slantlines published in boldface] in the face of a still non-unified opposition."

The survey presented to its respondents scenarios likely to occur: Higher prices, Marcos reelection, military takeover, civil war, communist takeover, U.S. foreign domination.

It said 79.7 percent anticipated higher prices, followed by 65.7 percent predicting a Marcos reelection.

The analysis said: "Compared to the worsening of the economy and a Marcos reelection (the figure) shows fewer respondents who say that a military takeover, a civil war, a communist takeover, and an intensified U.S./foreign power domination over the Philippines are likely possibilities/probabilities in the near future.

"The total who see these events as likely or probable occurrences range from the lowest 17.9 percent for a communist takeover to a higher 34.2 percent for a military takeover.

"It will be noted, however, that for these latter events, the 'don't know' and 'no answer' replies--which possibly express real uncertainty--increase markedly to 37.1 percent to 46 percent, suggesting that the respondents do not view the anticipated deterioration in the economy and the reelection of Marcos as necessarily inconsistent with the occurrence of either a military takeover, a civil war, a communist takeover or intensified U.S. domination over the Philippines."

Here is the clincher: "Moreover, since the majority" (79.7 percent and 65.7 percent, respectively) view both the deterioration of the economy and a Marcos reelection as likely occurrences in the near term, some may in fact see these as going together, implying further the view that a Marcos reelection may not provide a solution to the country's economic problems."

By regions, the survey showed that Metro Manila and Southern Tagalog tended to be most pessimistic (87.4 percent and 86.6 percent, respectively), followed by Bicol (82.5), Southern Mindanao (81.2), Eastern Visayas (82.2), Central Luzon (79.5), and Western Visayas (78.7).

With regards a Marcos reelection, the regional breakdown showed Ilocos with the highest (83.7), followed by Metro Manila (75.2). "In all other regions," the survey said, "at least 50 percent see his reelection as a likely or probably event."

"In the case of a Marcos reelection," the survey analysis said, "the summary figures indicate that, of those thinking that a Marcos reelection is likely, fewer than half or 47.8 percent would welcome the event. On the other hand, of those saying that a military takeover, a civil war or a communist takeover are likely events, most respondents find these to be worrisome.

"Close to two-thirds (or 62.7 percent), for instance, fear the prospect of a civil war; slightly over half or 55.8 percent are worried about a communist takeover; and close to half or 48.3 percent are anxious about a military takeover.

The survey's analysis also made a point of the "substantial incidence of 'don't know' replies and refusals to answer."

It said the replies may constitute "methodological artifacts" but "may also be indicative of the heightened security consciousness among the population and/or high level of uncertainty but which, in any case, do not enable us to get at people's real views and opinions."

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PHILIPPINES

DAVAO COLUMNIST ON COMMUNISTS' PREFERENCE FOR MARCOS

HK061210 Davao City SAN PEDRO EXPRESS in English 18 Jan 86 p 4

["Commentary" column by Bert Tesorero: "CPP Predicts Marcos Win"]

[Text] The Communist Party of the Philippines (CPP) through its news organ, ANG BAYAN, criticized the opposition for allegedly "flip-flopping" on the questions affecting the U.S. military bases in the Philippines and how to deal with the insurgency problem besetting the country today. I hastened to add that the victory of President Marcos over Cory Aquino on February 7 is almost certain, but warned against fraud and violence in the coming election.

Superficially, it would appear as if the Communist Party is an uninvolved partisan outfit viewing the electoral game being contested from outside the fence, watching the two conflicting political factions battle it out for the presidency, while at the same time taking potshots at the fumbling protagonists whosoever it deems fit to castigate. But for how long can the communists obscure their cloak-and-dagger participation in the current electoral campaign, even to say that they are neutral in this historic political exercise in the country?

For how, in heaven's name, has the Communist Party come to foretell the certainty of the president's victory over Cory Aquino in the polls when no less than President Marcos himself had accused the communists of actively campaigning for the lady opposition candidate? Is the Communist Party now losing its credibility? Or, is it possible that the communists had shifted their support to President Marcos, as to postulate a Marcos win in the forthcoming polls?

Of course, there is a possibility that the communists had opted to give their full support to the KBL to see a Marcos victory in the February 7 elections. But not without reason.

Cory Aquino had vowed to give amnesty to the NPA rebels, if she wins the election, a feat that could cause a big crack on the Communist Party stronghold if fully realized. However, Cory Aquino warned that she will utilize maximum force of the government to fight the communists and those others who persist in dismantling the democracy of the country by means of arms and violence, if given the chance to serve from the highest post of the land.

It must have been in this aspect that the Communist Party of the Philippines suddenly suffered a change of heart by jacking Cory Aquino from its support and predict the victory of President Marcos in the polls. Obviously the Reds find Cory Aquino of no use if she never wins the presidency in the country.

The communists never had it so good as it were when massive adherence to the Communist Party from the people swelled to a frightening level under the Marcos administration. So, it is possible that the Reds have seen in President Marcos a valuable propaganda piece to gain more adherents from the masses, thus the victory of President Marcos could also be a great triumph for the Communist Party.

The military BAYAN [Country] organization which President Marcos grudgingly branded as communist front is now agitating on a boycott in the polls which, in effect, could run to the great advantage of President Marcos to cushion the avalanche of votes for Cory Aquino. This could be just one of the communist schemes in its silent participation in the year's presidential balloting to see Marcos win in the election.

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PHILIPPINES

ECONOMIST SEES NO MAJOR CHANGES AFTER ELECTIONS

HK010716 Quezon City ANG PAHAYAGANG MALAYA in English 24 Jan 86 p 7

[Article by Maria Rosa Ocampo]

[Text] There will be no significant changes in the Philippine economy, which is seen to grow by one percent in 1986, even if Opposition Presidential bet Corazon Aquino beats President Marcos in the February snap polls, Center for Research and Communication Senior Vice President Bernardo Villegas told members of the Bank Administration Institute yesterday.

Villegas said the real difference between the Marcos-in-continuation scenario and the Aquino scenario will be in the level of investments pouring into the country as consumption and government expenditures will likely be down in both scenarios.

Even if Aquino gets elected, he said, there is going to be a "temporary dislocation, uncertainty and reorganization." The economy, however, could contract by one percent if the February elections are violent and accompanied by wholesale cheating.

Government spending would not be a source of economic activism since foreign creditors have set ceilings for budget deficit while consumption will remain low due to the decreasing household income, he explained.

It will take five years to return to the 1983 level of per capita income, Villegas predicted. Real per capita income has declined by 15 percent since 1983 and it has never increased by more than three percent yearly.

Moreover, Villegas said the "bonanza" arising from the P10-billion additional money from election spending will be short-lived, up to June 1986 at most. The second semester may collapse as it did in 1984 when the resulting sales euphoria from panic-buying in the first semester turned into a "crumbled" second semester.

He also forecast soft interest rates for the year with prime rates hovering from 16 percent to 19 percent for a select few prime clients while lending rates will be from 19 percent to 21 percent as there is no demand for loanable funds.

Inflation will be "manageable" at an average of 13 percent to 15 percent, Villegas said.

From the P19-\$1 at the end of 1985, the exchange rate will go up to P22-\$1 by end 1986.

In the midst of economic and political uncertainties, Villegas said the Philippines has safety valves that prevent it from becoming another Iran or Nicaragua.

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PHILIPPINES

NDF DISCUSSES REASONS FOR POLL BOYCOTT

HK070724 Quezon City WE FORUM in English 28 Jan-3 Feb 86 p 7

["Commentary by NDF [National Democratic Front] on Labour Minister Blas Ople's Statement That a Boycott Amounts to a Vote for Marcos"]

[Text] The decision of the NDF to call for a boycott of the forthcoming snap elections takes into account two overriding considerations.

First, that the polls are a Reagan-Marcos gambit meant to strengthen and prolong dictatorial rule and give the ailing regime a respite from the ground-swell of popular protest that has continued to push it against the wall.

Second, that the patently lopsided conditions under which the snap elections are being held are not conducive to the ventilation of the popular will.

We believe that elections sponsored by a dictatorial regime that holds practically all the aces constitute a mockery of the basic right of suffrage. Furthermore, the Marcos government fully intends to use its victory, replete with a preprogrammed large voter turnout, as an endorsement of its terrorist and openly corrupt reign. We have an appropriate Tagalog expression for this: "niluluto tayo sa sariling mantika [we are being cooked in our own grease]."

In other words, to boycott these polls is an act of militant repudiation of the U.S.-Marcos dictatorship. Far from being a vote for Marcos, it is an act of rejection that is aimed at preventing the restrengthening of a severely weakened regime. It is an active act that seeks to bring to the people the issues involved in these elections as well as the more basic problems which the polls precisely seek to sweep under the rug.

The people should not be misled by the deceptive utterances of Messrs Ople and Marcos. These two fascists are known experts at twisting facts and sowing intrigue.

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PHILIPPINES

COLUMNIST ON POSSIBILITY OF U.S. BASES' TRANSFER

HK080307 Davao City MINDANAO TIMES in English 25 Jan-1 Feb 86 p 2

["Times Dialogue" Column by Jose I. Angliongto: "Palau as Alternative US Bases"]

[Text] The United States had entered into agreement with Palau, a U.S. trust territory, for possible alternative site of U.S. Pacific bases if U.S. eventually loses Subic Naval Base and Clark Air Base in the Philippines.

How will this affect the regional security of Asian states?

We still believe that with the present world situation, there is no substitute for the two U.S. bases in the Philippines except if the bases are transferred to Singapore. Palau is located about 1,000 miles further from Asia Mainland than Subic Bay, and almost three thousand miles away from the Indian Ocean and the Middle East. By moving the bases to Palau, the U.S. will lose its geo-strategic advantage. The vacuum created could encourage the Russians to project its influence from Cam Ranh Bay to the whole Pacific region without challenge.

On top of this, the U.S. is going to lose the skilled cheap labor that is currently being supplied by the Philippines. The cost of operation will be definitely very much higher than the present bases in the Philippines.

Unless the U.S. has plans to abandon the Asian region and surrender to the Russian we still believe that U.S. will not give up the two bases without putting up a last try to keep them.

As long as Russia continues to keep its bases in Vietnam, the giving up of Subic Naval Base and Clark Air Base by the U.S. will definitely endanger the security of Asian states and create a very critical security scenario for Asian nations. In the end, U.S. will reap a king-size headache.

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PHILIPPINES

DAVAO EDITORIAL VIEWS ABUSES BY MARINES, ICHDF

HK061240 Davao City SAN PEDRO EXPRESS in English 16 Jan 86 p 4

[Editorial: "The Mandug Incident"]

[Text] More than two hundred residents of Mandug trooped in a mass protest to the City Hall to denounce what they described as Marines' abuses and ICHDF [Integrated Civilian Home Defence Force] brutalities supposedly committed on the people living in that area. To drive home their point, they listed down the names of at least six civilians brutally killed either by Marines or ICHDF elements in the course of military "zoning" operations in Mandug which started on January 5, this year.

The charges against the Marine Corps and the ICHDF in Mandug are serious. Lives had been lost allegedly due to the abuses of these military and para-military outfits assigned in Mandug. What do our government authorities intend to do about this heinous irregularity.

The Philippine Marine Corps is known to be one of the best military outfit in the Armed Forces of the Philippines, its members highly disciplined and beyond reproach in the discharge of their duties. But the sudden storm of mass denunciations coming from the residents of Mandug on Marines and ICHDF abuses had somewhat marred the image of this elite military troops.

In justice to the 3rd Marine Brigade Command headed by Col Edgardo Espinosa in Davao, however, we would venture to say that there is need to examine the complaints of the Mandug people closely if to arrive at a justifiable conclusion concerning the impending strife.

There is war going on between the military and the insurgents, and normally as it is some innocent lives will be lost in the crossfire. The Marines are charged with the duty of enforcing the law against the rebels and similarly in the course thereof, some of them get killed in the battle.

If there are "zoning" operations going on in areas where government soldiers were killed by subversives, it is not on a mission for reprisal but a legitimate effort to flush out the rebels from their hidden lairs on some houses of the residents.

But brutalities and other abuses committed by the Marines and their ICHDF auxiliaries in the course of their mission in fighting the insurgents should not be countenanced. The erring soldiers and their para-military counterparts should be brought to justice.

PHILIPPINES

MANILA TO ASK FOR RESCHEDULING OF FOREIGN DEBTS

HK310130 Manila PHILIPPINES DAILY EXPRESS in English 30 Jan 86 p 12

[Article by George T. Nervez]

[Text] Central Bank [CB] Governor Jose B. Fernandez Jr. yesterday said the country would ask foreign creditors to reschedule debts due between 1987 to 1990 when talks resume middle of this year.

The CB head did not say how much of the country's \$25-billion foreign debt are involved in the new round of rescheduling talks.

The initial rescheduling scheme covers debts amounting to \$5.8 billion due between October 1983 to December 1986, which were rolled for 10 years with five years grace period.

Thus far, \$2.9 billion of the debts have been restructured, with remaining \$1.3 billion owed by the private sector awaiting restructuring.

He added that the monetary board would shortly approve a circular covering the restructuring of private financial sector debt.

The CB had told a luncheon meeting to top financial executives that financial reforms were being considered by monetary authorities to boost the country's economic recovery program starting this year.

The reforms, he said, are geared toward agriculture which is expected to spearhead the economic recovery.

He said the reforms involve the promotion of a financially-sound rural credit system, wider participation of banks, improved efficiency of the credit delivery system and the deliberate shift to a market-oriented approach.

Fernandez said a number of measures have been taken that have implications not only to the rural sector but to the entire financial system.

The CB, he said, was proceeding with the policy of strengthening the banking system and encouraging appropriate mergers and/or consolidations that would bring about fewer but financially-stable institutions.

Another move, Fernandez said, changes the definition of the loanable fund base of banks under PD [Presidential Decree] 717. This would reduce the agriagra requirement and improve bank profitability.

The CB, he added, was considering the lowering of the reserve requirement for regular deposits of commercial banks which would further cut the cost of bank funds.

To spur agricultural activity the CB is asking the World Bank to relax the terms of the P3-billion agricultural loan fund (ALF) to hasten the use of the funds.

The CB head pointed out that the government's pump-priming activities would be trained on the agricultural sector which remained the only growth area last year.

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CSO: 4200/670

PHILIPPINES

TAX OFFICIAL DENIES REVENUE LOSS FROM PETROL PRICE DROP

HK311610 Manila BUSINESS DAY in English 31 Jan 86 p 3

[Text] No loss in government revenue is expected to result from the recent price rollback of various petroleum products. Romulo M. Villa, Bureau of Internal Revenue (BIR) deputy commissioner, explained that while ad valorem taxes are reduced when prices are decreased, the specific taxes on the same products would make up for the reduction.

Villa noted that two taxes are imposed on petroleum products--the specific tax based on sales volume and the ad valorem tax based on the selling price.

"Whatever theoretical loss in ad valorem taxes will result due to the price rollback will be compensated by the corresponding increase in total specific taxes," Villa said. He added that the expected increase in the sales of petroleum products due to the fall in prices will mean a bigger specific tax revenue collection.

Earlier reports (published in other newspapers) said the government will incur an estimated P600-million revenue loss in ad valorem taxes due to the price cutback of petroleum products.

Other BIR sources pointed out that specific taxes on petroleum products were in fact increased by Presidential Decree [PD] No 1994.

Under the decree, the specific tax on premium gasoline is P1.49 per liter; regular gasoline, P1.575; aviation turbo fuel, P1.509; bunker fuel oil, P0.443; liquified petroleum gas (LPG), P0.572; and thinners and solvents, P1.491. It also imposes a specific tax of P4.50 on every liter of lubricating oil, five centavos per liter of processed gas, and P4.50 per kilogram of greases, waxes and petrolatum.

According to Board of Energy (BOE) data, the increases in the specific tax are as follows: premium gasoline, 30 centavos; regular gasoline, 28 centavos; aviation turbo fuel, 30 centavos; fuel oil, 19 centavos; and LPG, 22 centavos.

The increase in the specific taxes for petroleum products is expected to generate about P1.16 billion in annual tax revenues for the government.

In a related development, the BIR issued Revenue Memorandum Order No 1-86 to provide guidelines for the collection of the specific and ad valorem taxes on certain petroleum products as provided for by PD No 1994 and Executive Order No 1076 (amending PD No 1994).

PD No 1994 and EO No 1076 revised the specific and valorem taxes on some petroleum products in order to recover revenue losses arising from the reduction from 27.5 percent to 22 percent of the customs duties imposed on crude oil imports effective this year.

The order notes that since the stock inventories of all oil companies as of end-1985 were manufactured out of crude oil which was previously taxed on a higher rate of duty, the new rates provided under PD No 1994, as amended, do not apply to such inventories to avoid double taxation.

Toward this end, the BIR requires all oil companies to submit their stock inventories as of end-1985. The BIR will likewise set up separate books for this purpose, conduct periodic verification to monitor all movements of the stock inventories concerned and report on the final disposition of the inventories of all oil companies.

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PHILIPPINES

NATIONAL OIL COMPANY'S COAL SUBSIDIARIES FACE STRIKE

HK311613 Manila BUSINESS DAY in English 31 Jan 86 p 15

[Text] Davao City--A strike at Philippine National Oil Co.'s [PNOC] two coal subsidiaries--PNOC Coal Corp. and Malangas Coal Corp.--may drag on for a few more weeks as negotiations are expected to start only after the Feb 7 elections.

The strike broke out Jan 23, according to reports reaching the Davao headquarters of the Southern Philippines Federation of Labor (SPEL), to which the Nagkahiusang Mamumuo sa PNOC [United Heads of PNOC] sole collective bargaining agent is affiliated.

SPEL head Proculo Fuentes said PNOC representatives will negotiate with the union only after the polls. "They seem very busy campaigning," he said.

The SPEL also reported that the workers at the picketline were "harassed" last Jan 25 by Civilian Hoe Defense Forces (CHHF) militiamen and members of the 33rd Infantry Battalion, who also escorted scabs and food supplies into the company premises.

The ongoing labor dispute involves 800 contractual workers who have been with the companies for an average of five to six years. Management has agreed to give them regular status but refuses to give the corresponding monetary benefits, Fuentes said in an earlier interview.

Fuentes pointed that it has been company practice to give regular employees a monthly cost-of-living allowance of P800 and contractual employees, only P442. He said management wants to pay the allowance of newly appointed regulars at P442, which the union finds unacceptable.

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CSO: 4200/670

PHILIPPINES

AMPLE SUPPLY OF STAPLES ASSURED; HOARDERS WARNED

HK231101 Manila BULLETIN TODAY in English 22 Jan 86 p 1

[Text] Supermarket owners assured yesterday of an ample supply of essential commodities to dispel consumers' fears of shortage and prevent panic buying. They told the Bureau of Domestic Trade [BDT] that their problem is the slow movement of commodity stocks as they belied reports of hoarding. However, they said that prices have slightly increased but within tolerable limits.

The supermarket owners said they were assured by their suppliers that there will be no disruption in the delivery of goods. They, in turn, assured the BDT of steady supply and help in holding down prices.

The BDT said that the position of supermarkets in the domestic market is important because many of the small retail outlets get their supplies from them. It added that the bureau has sufficient legal powers to go after hoarders and will not hesitate to use these powers to protect the consumers.

The bureau also urged the public to report cases of hoarding so that it can take steps to facilitate the continuous flow of goods to retail outlets.

Earlier, President Marcos warned hoarders of essential goods, saying that hoarding would encourage inflation and undermine the general price stability attained over the past several months. Mr Marcos ordered Trade Minister Roberto Ongpin to keep a close watch on traders and to apply "the full force of the law to protect the consuming public." Mr Marcos also appealed to the public not to resort to panic buying as this would lead to artificial shortages.

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PHILIPPINES

BRIEFS

INVESTMENTS IN AGRICULTURE--The government's efforts to pump-prime the economy will be focused on the agricultural sector which accounts for 28 percent of the country's total production, Prime Minister Cesar Virata told the conference of the Governors of Southeast Asian Central Banks in Baguio City yesterday. He said increased investments in agriculture will serve to moderate price increases in food which continues to comprise about half of the average Filipino's basket of goods and services. Virata also said that fiscal, monetary and price policies will be orchestrated this year to perk up demand for products and commodities as recovery of the economy gets underway. He said signs of the start of economic recovery are becoming evident. [By J.C. Concepcion] [Text] [Manila BULLETIN TODAY in English 24 Jan 86 p 15 HK] /12712

BANK MERGER POSSIBLE--Prime Minister Cesar Virata said the proposed merger of the Development Bank of the Philippines and the Philippine National Bank may still push through, depending on the results of a study which may be released in March or April this year. Virata said the merger should have been implemented last year but there was strong opposition from the heads of both banks, which had been incurring huge losses during the past year. The merger plan is being pushed by the International Monetary Fund and the World Bank, which have offered 150 million to finance the rehabilitation of the financial institutions. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 26 Jan 86 HK] /12712

CSO: 4200/671

SINGAPORE

## STEPS CONSIDERED TO DEAL WITH ECONOMIC DOWNTURN

Penang THE STAR in English 8 Jan 86 p 22

[Text]

**SINGAPORE:** For the Singapore government, to accept major recommendations made by all sectors of businesses as steps to sail through the present economic downturn will mean that it has to unwind structures of its established economic policies.

Three sub-committee of the main body of the government-appointed economic committee to spell out remedies for Singapore's economy have individually called on the government to repeal or amend at least a dozen of its laws.

These include reducing the Central Provident Fund (CPF) contributions, allow foreign workers to stay, discourage government involvement in business, stop wages climbing up further and, above all, reduce several kinds of taxes.

They felt that if these policies are allowed to stay without reviewing it, businesses will slide further down. At the same time the government is concerned that if no changes are made, businessmen will resort to all kinds of cost-cutting measures as no businessman will allow profits to offset losses for unspecific length of time.

As it is, 90,000 people have lost their jobs of which 30,000 are Singaporeans. The official unemployment figures stands at 4.5 per cent and likely to go up another two per cent this year, rather high in Singapore, which has boasted full employment for years.

With all eyes focussed on this special economic committee headed by Minister of State for Trade and Industry and for defence, Brig-Gen Lee Hsien Loong, businessmen are taking op-

portunities to voice their grievances which have been in their minds for quite sometime.

Brig-Gen Lee, son of Premier Lee Kuan Yew, who is expected to be promoted to full Minister of Trade and Industry soon, said a common complaint seemed to be that the government is adopting too much of a *laissez faire* approach to the current economic downturn and some even feel that the government is out of touch and ignorant of difficulties faced by businessmen.

There was an alarming increase in the rate of business closures last year, along with a drastic slowdown in new registrations. That's not counting a Registrar of Businesses estimate that about 20,000 businesses — that is, sole proprietorship and partnerships — had failed to renew their registration, by the end of June last year.

This estimate dwarfs the official statistics which show that 3,440 businesses folded up between January and June last year, together with 803 companies.

In a report to the economic committee, the sub-group on local businesses quoted the figures obtained from the Registrar of Businesses to back its call for more government-support of local businesses.

All the sub-committees contended that the government appears to be favouring foreign multinational companies to the detriment of local indigenous companies.

"The government seems to have no confidence in local contractors. Foreign companies come here for one purpose, to make as much as possible in the shortest time. They have never been interested in

transferring technology and once the going gets rough, they pull out without giving much consideration to local employee or businesses", said another report.

Cement Manufacturers' Association of Singapore said that cement is currently being dumped into Singapore at prices well below international market by bulk cement traders.

Although the government has adopted an open economic policy for Singapore, this policy should not be applicable to all industries especially to the basic industries like cement and steel, their report said.

Shippers here said the government tends to perceive the ports of Rotterdam or Yokohama as its competitors, while in fact the real competitors of Singapore are the ports of Malaysia and Indonesia which have been developing their port facilities to encourage direct export to the countries of final destination.

Local businesses now complain that the pace set for Singapore's economic transition from labour-intensive industries to high-tech industries is too rapid.

To them, the rate of decline of the indigenous local businesses has far outpaced the growth level of the high-tech industries and this created a "vacuum" which was considered hard to fill.

On the government involvement in businesses, all the sub-committees want the government to reduce their participation as not to hinder the growth of private sector or perhaps make life difficult for them. An official of the manufacturing committee said if the government wants private sector to be the engine of growth, it should make a

conscious effort to sub-contract as much business as possible to the private sector instead of undertaking it on its own.

The government should reduce to the minimum its practices of privatisation and encroachment on private businesses and should make clear to all that the role of public sector is to serve the public and not to churn out operations surplus, as the statutory boards are doing openly, they said.

The Chinese Chamber of Commerce highlighted adverse banking practices by the government-backed Singapore Development Bank which is exempted from Monetary Authority of Singapore regulations relating to banking and the Post Office Savings Banks (POSB) of which interests on savings deposits are tax-free.

"This will affect the loans positions of private commercial banks. The economic adverse affects on the nation's investments levels are clear because numerous allocations of business funds are available only from the commercial banks and not financed by POSB", the chamber said.

High wages based on the yearly compounding of the national wage council coupled with higher CPF contributions, foreign workers levy, skills development fund have eroded competitive position vis-a-vis its traditional rivals, added another report.

An observer noted that the government is expected to accept several proposals, after having conceded to a certain extent, to reduce the high rate of CPF contributions which two months ago was still the most defended policy. — Bernama ES

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CSO: 4200/656

SINGAPORE

BRIEFS

TAN KOON SWAN'S ASSOCIATE SENTENCED--Singapore, Feb 5 (BERNAMA)--The financial director of Pan Electric Industries, Tan Kok Liang, was sentenced to a total of 15 months jail on two charges of criminal breach of trust. The sentences, 1 year for the first charge and 3 months for the second charge are to run consecutively. [Text] [Kuala Lumpur BERNAMA in English 0830 GMT 5 Feb 86 BK]  
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CSO: 4200/660

THAILAND

ATHIT EXTENSION, GENERAL MANA MILITARY PARTY LINKED

Bangkok SU ANAKHOT in Thai 29 Jan-4 Feb 86 pp 10-13

[Excerpt] Definitely No Extension? "Prem Was Granted Only a 1-Year Extension"

A favorite topic of discussion these days is, "Will Gen Athit be granted another 1-year extension?" This is being discussed by people in almost all political circles, including politicians-ministers and civilian and military officials.

"If you ask battalion commanders about this, most will say that he will definitely be granted an extension or that he should be granted an extension. Divisional commanders tend to say that this depends on senior people and that they are not involved. And if you ask the senior military officers, many will say that they do not know but that Prem was granted just a 1-year extension?" This is the view of a senior military officer who has been able to form a picture of what may happen in the military. The words "Prem was granted just a 1-year extension" seem to have a rather deep meaning. At the same time, this is a very clear answer. In particular, similar statements are beginning to be heard among conservative powerholders.

It can be said that the extension granted to Gen Prem in 1980 was granted at a time when his prestige was at its height, that is, just 6 months after rising to the position of prime minister with his image as an honest and straightforward gentleman. Even though that extension was manipulated by a power group behind the political stage, the outward image of that extension 5 years ago is being used now to draw the line for the extension in 1986.

One senior person who is a member of the conservative faction recently said that the main reason why Gen Prem was granted an extension was that he was an honest and straightforward person. A secondary reason was that he had to have military power in order to ensure political stability while serving as prime minister. And to the present, Gen Prem has shown his ability to coordinate various interests, for which he has won acceptance by the various factions, including parliament and the military.

Many factions would agree with these reasons for his "acceptance by all factions" and agree that he is an honest person who is not "hungry for power." And so all sides trust him. Thus, the answer for the 1986 extension is that "Gen Prem was granted only a 1-year extension."

#### The Birth of a Military Party, Paving the Way for a Political Heir

In July 1985, just prior to his retirement as assistant RTA CINC, Gen Mana Rattanakoset announced that he intended to run for the position of governor of Bangkok Metropolitan. Because of this announcement, a flurry of stories about a "military party" began appearing in the newspapers. Prior to that, there had just been some rumors about this.

Following that, the appearance of the Mass Development Corporation Ltd, with 19 shareholders being retired generals and generals on active duty, lent even greater credence to the existence of a "military party." The company engaged in a variety of activities, from toothpicks to warships. But because of its tendency to act like a "sleeping partner," some said that this company was an economic base for this party.

However, the appearance of this "sleeping partner" was roundly criticized in the press, and this staggered the Mass Development Corporation. Several well-known generals said that they knew nothing about this, and they asked to remove their names from the list of shareholders. And following that, Gen Mana, who was viewed as being a key figure in this political party, announced that he was withdrawing from the race for governor of Bangkok Metropolitan. Because of this, interest in this military party began to die down. The only thing keeping the image of this political party alive is the attitude of Gen Mana, who has indicated that he may run for election in the next national parliamentary election.

An officer at the army Civil Affairs Center said that actually, people have been discussing this party and formulating work lines for a long time. It can be said that this has been going on ever since Gen Mana was appointed head of the Reserves for National Security during the period that he was serving as the assistant army chief of staff for civil affairs. Something worth noting is that Gen Mana was not appointed head of the Reserves for National Security because of his civil affairs position but because of his personal status.

The military party was established in order to enable retired military officers to engage in parliamentary politics based on the political ideals of the military. The military believes that today's political parties represent monopolistic capitalists and socialists. But what is probably most important is their view that when officers retire and run for election, they are not given important positions in the political parties.

However, it is said that what has induced the military to establish a political party is that the present military leader is trying to position himself to become the political heir of Gen Prem. An officer close to Gen Mana said that at that time, senior military officers discussed the lesson learned from the time of Gen Prem. That is, for the prime minister to have a secure

position, he must have a firm base of support among the political parties in addition to his base of support among the senators. In the case of Gen Prem, while he did not have his own political party, there were several parties that were willing to provide him with a strong base of support. But the next prime minister will probably have to have his own political party.

But that is not all. These officers also believe that by forming their own party, they can solve the problem of having to haggle over positions or interests. As for whether the party can win a majority of the seats in parliament in order to form a government, it is felt that there are a large number of influential MPs who ran for election in order to use their political prestige to control various illegal activities. These MPs are prepared to join any political party if they feel it has a strong chance of forming a government, particularly if it is a military party. They will not set any stipulations or conditions on political positions. What is important is that these MPs have various means of controlling elections. This will greatly benefit the party to which they belong in terms of the number of seats in parliament. And the party will not have to worry about providing them with financial support.

"Just after rumors began circulating about the formation of a party, such MPs made contact and asked to join the party," said the same officer.

#### **Appearance of the 'Community Action' Party in a 'No Extension' Situation**

But the situation now is completely different from what it was when the idea of establishing a party for Gen Prem's "political heir" first originated. However, it seems that people are still pressing forward with the idea of forming a military party. And while the path may be different, the goal--the premiership for the military leader--has not changed.

At the beginning of January last year, Gen Mana gave an interview on the formation of a political party. He said that preparations were being made in order to field candidates in the 1987 election.

"We have not formed a military party. And it's incorrect to say that the members of today's political parties are all civilians. People who form a political party must share similar ideals and be ready to help each other. People elected to parliament can't think just about being appointed minister. That is not right," said Gen Mana during that interview.

A high-level news source in the army said that at a recent meeting, the party activists decided to name the party the "Community Action" Party. Gen Mana will come forward publicly and may even serve as party leader. As for the party members, most are MPs from other parties, mainly the Social Action and Thai Nation parties. In particular, a large group of SAP MPs from the northeast are an important faction in the SAP. Some hold ministerial positions. There have been conflicts within the SAP and so these people have contacted Gen Mana.

Besides this, several well-known members of Army Preparatory School Class 5 who have retired are preparing to stand for election in the name of the

Community Action Party. One is Gen Thianchai Sirisamphan, who plans to run in Lopburi Province. As for Police Gen Suwan Rattanachun, the former deputy director-general of the Police Department, there are reports that he has been approached, too. But as of now, he is not ready to run for election.

As for the party's financial position, a military news source said that the Mass Development Corporation has not grown as much as it should have. But Gen Mana and Gen Sup Aksaranukhro are now monitoring things closely. It will take some time for the party's financial situation to improve. At present, most party members are able to help themselves and so the party will not have to provide much support.

However, considering the mass base of the party, it can be said that Gen Mana's position as head of the Reserves for National Security, which has 1 million members nationwide, provided a basis for the establishment of this political party. This is a very strong base of support.

"We must take urgent action to build the party. Because parliament may be dissolved during the 1986 session and Gen Athit may not be granted another extension. This party is the hope of those of us who want to work for him," said a senior military officer.

#### Athit-Chawalit and the 'Community Action' Party

"There are many suspicious people, and there have been many rumors. I want to say that I have no plans to join a political party to run for election. At present, my only intention is to carry out the duties entrusted to me by the government, the country and the people as well as I can," said Gen Athit a few days ago on the program "The Army Meets the People." As for the rumors that he will establish a political party, he said that there are already a lot of parties and that establishing another party would not be beneficial. "Thus, I don't plan to do that."

As for running for election, Gen Athit said that "it will take time to make a decision and see whether that is the right thing to do. It depends on my health, too. Several things have to be taken into consideration. But I haven't thought about this yet. Those are just rumors."

Based on what Gen Athit has said, he will definitely not form a political party but has not yet made a decision on running for election. It will take time to make a decision. A news source close to Gen Mana said that initially, Gen Mana will be the one publically associated with this party. As for Gen Athit, regardless of what he has decided at this point in time, he will definitely not reveal himself as one of the founders of the party. Because he will certainly not get involved in politics until after he retires.

That means that the next step of Gen Athit will be to play the role of a person who is dedicated to serving the country and who is not seeking to gain power. The purpose of this is to erase the image that some people have formed of him. Some have charged that he is trying to portray himself as a "knight on a white horse."

Gen Athit does not need to get involved with this political party. He can play one role while the party plays another. When the time comes, he can change roles and take a new course.

However, several senior military officers are watching Gen Chawalit, who is next in line for the position of RTA CINC, to see whether he will support this military party. At this stage, it seems that the "next" RTA CINC will not get involved or provide support. Many people are saying that Big Chiu's role will definitely change this year. Big Chiu will no longer play the role of coordinator between the two political "big shots." This is because he will become the "third political pole." This means that the Community Action Party will experience a new problem. No longer will it be watched by just one "power pole." The new "power pole" will keep a close watch on the Community Action Party, too.

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CSO: 4207/155

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

THAI DAILY ON SRV CAMPAIGN AGAINST KHMER ROUGE

BK040305 Bangkok THE NATION in English 4 Feb 86 p 5

[Text] Hanoi's troops are currently stalled in their prolonged military campaign against Khmer Rouge strongholds on the southwestern Kampuchean border.

A series of battles began on November 10 when elements of the Vietnamese 59th Division launched an all-out attack on the stronghold of the Khmer Rouge 415th Division on Phnum Saravan Mountain in Battambang Province of Kampuchea opposite the Thai village of Khlong Yai in Pong Nam Ron District of Chanthaburi.

The Vietnamese managed to overrun the Khmer Rouge stronghold, where several hundred of the guerrillas had been based, within only a few days. Casualties on either side were not known.

The Khmer Rouge is the largest and reputed to be the most disciplined faction in the tripartite Khmer resistance coalition.

The guerrillas, in an attempt to retake their stronghold, continue to mount hit-and-run raids on Vietnamese positions, causing the Vietnamese to retaliate with artillery fire.

The fighting forced more than 900 Thai villagers to flee Khlong Yai, and they have been living for more than two months in an evacuation area about five kilometres deeper inside Thai territory.

According to military sources, the Khmer Rouge guerrillas of the 415th Division have little chance to recapture their fallen base, mainly because of the large number of Vietnamese troops, deployed in the area, which the Vietnamese have also heavily-mined and booby-trapped.

The Vietnamese appear to be confident of their control of the former Khmer Rouge stronghold. Last December, they sent some elements of the 59th Division based in the Kampuchean town of Pailin away to support other units operating against Khmer Rouge guerrillas further north in Battambang opposite Khao Tangoc Mountain in Aranyaprathet District, Prachin Buri.

The Vietnamese 59th Division is responsible for operations against Khmer guerrillas between northern Pursat Province and Battambang to the south.

However, the Vietnamese met stiffer resistance when troops of their 330th Division in the middle of last month attacked the stronghold of the Khmer Rouge Second Division in Pursat Province.

Military sources said more than 1,000 guerrillas of the Second Division, based on Bantad Mountain range opposite the northern area of Muang District in Trat Province, have not established any permanent bases or strongholds.

They said the guerrillas' outposts cover several hilltops on the rugged terrain of the mountain range, which stretches to the southern tip of the Thai-Kampuchean border.

At the beginning of the Vietnamese attack, however, troops managed to capture two hilltops on Dec 21, but they were pushed back from one of them by the guerrillas two days later.

According to the sources, the Khmer Rouge guerrillas, during the fourth week of last month, launched a counter-attack in an attempt to retake the second hill, about two kilometres from the first one.

The second hilltop was still a contested area for the rival forces at the beginning of last week and fighting has been raging there. About 3,000 Khmer Rouge civilian followers have fled across the border into Thailand, the sources said.

The sources said units of the Vietnamese 330th Division employed in the attack had earlier been called from the Kampuchean interior province of Kompong Speu.

According to the military sources, four Vietnamese divisions, the 59th, the 330th, the 339th and the Fourth, are deployed close to the Thai-Kampuchean border opposite Chanthaburi and Trat provinces of Thailand.

The 59th, the 330th and the 339th, are based in Battambang and Pursat provinces of Kampuchea, and the Fourth Division is deployed in Koh Kong Province along Kampuchea's southwestern coast.

The Khmer resistance sources characterized the Vietnamese operation in the south-western Kampuchea as only a prelude of their full-scale dry season offensive.

An intelligence source said a decision to continue an all-out operation against the Khmer Rouge guerrillas in the southwestern Kampuchean border area with Thailand this year was made early last month in a meeting of the military committee of the Hanoi-installed government in Phnom Penh.

According to the source, a titular member of the Politburo of Phnom Penh government, Say Phuthang, who was also a Khmer Rouge veteran from the southwestern zone, proposed to continue the operation against the guerrillas.

In the last few years before the Khmer Rouge ousted the Lon Nol government in 1975 and even during the Pol Pot era, the Khmer Rouge guerrillas in the southwestern zone were considered to be the most strictly-disciplined and toughest

fighters, possibly because of its strong leader, Ta Mok, who is Pol Pot's right-hand man and has been claimed to be a key figure behind the Khmer Rouge's bloody purge during 1976-1979.

According to the military sources, besides the Khmer Rouge strongholds of the 415th and the Second divisions, which have come under the Vietnamese attack, elements of two other Khmer Rouge divisions, the First and the Third, are operating from a net of mobile outposts on the mountainous southwestern Kampuchean border area opposite Trat Province.

So if Hanoi intends to totally wipe out the Khmer Rouge guerrillas in the area, its troops in Kampuchea would face an uphill task before the current dry season ends in May.

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COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

BRIEFS

**KHMER ROUGE CLAIM ATTACK ON SRV POSITIONS**--Bangkok, Feb 5 (AFP)--Pro-Chinese Khmer Rouge guerrillas said today they had attacked Vietnamese positions along a main supply route in central Cambodia, killing 51 of Hanoi's troops and wounding 35 others. Khmer Rouge radio, monitored here, said the attack on a string of villages took place on January 29 along a 16-kilometer (10 mile) portion of Highway Number Six, about 120 kilometers (80 miles) north of Phnom Penh. There was no independent confirmation immediately available of the attack, one of several operations the Khmer Rouge have claimed against Vietnamese troops along the highway. The road, linking Phnom Penh with northern and western Cambodia, is the main supply route for Vietnamese forces stationed along the Thai-Cambodian border. The Khmer Rouge also said that its Beijing-based representative, Chan Youran, had been accredited as the Cambodian resistance coalition's ambassador to Pakistan under an agreement reached last month. The U.N.-recognized Coalition Government of Democratic Kampuchea (CGDK) links the Khmer Rouge and two non-Communist movements fighting an estimated 150,000 to 170,000 Vietnamese troops in Cambodia. Pakistan was one of the first countries to appoint an ambassador, also its Beijing mission head, to the CGDK after it was formed in 1982. Sources close to Prince Norodom Sihanouk, head of the tri-partite resistance, said Chan Youran would also be accredited to Bangladesh, one of eight other countries that has made a symbolic expression of diplomatic support. [Text] [Hong Kong AFP in English 0611 GMT 5 Feb 86 HK]/12766

CSO: 4200/665

PEOPLE'S REPUBLIC OF KAMPUCHEA

OFFICIAL INTERVIEWED ON FRIENDSHIP WITH SRV

BK031113 Phnom Penh Domestic Service in Cambodian 0430 GMT 3 Feb 86

[Recorded statement by Chan Ven, chairman of the PRK-SRV Friendship Association, on Cambodia-Vietnam relations during interview with station correspondent on anniversary of Indochinese Communist Party and Vietnam--date not given]

[Excerpt] With my conviction and confidence in our new revolutionary regime, I believe the special relations of friendship, solidarity, and multiform cooperation between Cambodia and Vietnam and among Cambodia, Vietnam, and Laos, are in conformity with the desire and will of our people. It is the experience of the PRK that when the Cambodian revolution has relations of solidarity with the Vietnamese revolution in particular, and with the revolutions of Vietnam and Laos in general, the Cambodian revolution always scores victories. When this solidarity is lost due to maneuvers of enemies, the Cambodian revolution will be defeated and destroyed. Comrade Heng Samrin, general secretary of the party Central Committee, said at the party's fifth congress that the Indochinese peninsula is a fine symbol and a real force for national independence and socialism in Southeast Asia. The revolutionary alliance in the Indochinese peninsula is a firm strategic alliance. This is something which will never change in the cause of successfully defending and building our socialist Cambodian fatherland.

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CSO: 4212/55

PEOPLE'S REPUBLIC OF KAMPUCHEA

HUN SEN THANKS INDIA'S GANDHI FOR GREETINGS

BK311232 Phnom Penh Domestic Service in Cambodian 0430 GMT 31 Jan 86

[Text] Recently Comrade Hun Sen, chairman of the PRK Council of Ministers, sent a message of thanks to His Excellency Rajiv Gandhi, prime minister of the Republic of India, for his greetings on the occasion of the 7 January National Day of the PRK.

The message says: We are confident that the bonds of friendship, solidarity, and cooperation between Cambodia and India will be strengthened and developed in all fields in the future in the interests of the two countries.

May Your Excellency and the Indian people enjoy the best of health and score many more successes in the development of your country.

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CSO: 4212/55

PEOPLE'S REPUBLIC OF KAMUCHEA

HENG SAMRIN, HUN SEN THANKS TO MONGOLIAN COUNTERPARTS

BK060658 Phnom Penh Domestic Service in Cambodian 0430 GMT 6 Feb 86

[Text] Comrade Heng Samrin, general secretary of the KPRP Central Committee and chairman of the Council of State; and Comrade Hun Sen, chairman of the Council of Ministers of the PRK, have sent a message of thanks to Comrade Jambyn Batmonh, general secretary of the MPRP and the chairman of the Presidium of the People's Great Hural; and Comrade Dumaagiyn Sodnom, chairman of the Council of Ministers of the MPR, for their greetings on the occasion of the 7th National Day of the PRK. The message noted:

On behalf of the KPRP, the Councils of State and Ministers of the PRK, and the Cambodian people, we are very happy to receive your greetings on the occasion of the 7th PRK 7 January National Day.

We would like to extend profound and most sincere thanks to you and, through you, to the MPRP Central Committee, the Presidium of the People's Great Hural, the Council of Ministers of the MPR, and the fraternal Mongolian people.

We would also like to express our most profound gratitude to the Mongolian party, government, and people for their material and mental support for our Cambodian people in their just struggle against the subversive schemes of the Chinese hegemonists-expansionists in collusion with the U.S. imperialist and other international reactionary forces to defend peace, independence, and revolutionary gains in the PRK and in contributing to safeguarding and strengthening peace and stability in Southeast Asia and the world.

On this occasion, we would like to extend best wishes to you, to the MPRP Central Committee, the Mongolian Government, and the fraternal Mongolian people. May you enjoy good health and greater successes in fulfilling your noble mission.

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CSO: 4212/55

PEOPLE'S REPUBLIC OF KAMPUCHEA

HUN SEN THANKS MPR'S DUGERSUREN FOR GREETINGS

BK061428 Phnom Penh Domestic Service in Cambodian 1300 GMT 6 Feb 86

[Text] Comrade Hun Sen, minister of foreign affairs of the PRK, sent a message of thanks recently to Comrade Mangalyn Dugersuren, minister of foreign affairs of the MPR, for his greetings on the Seventh National Day of the PRK. The message stresses:

I am very happy with your greetings and best wishes sent to me on the occasion of the seventh anniversary of the PRK. I am firmly convinced that the bonds of fraternal friendship and solidarity and close cooperation between our two peoples will further develop and strengthen in the interests of our two peoples and in contribution to the defense of peace and stability in the region and the world.

I wish you the best of health and more and greater successes in the accomplishment of your noble tasks.

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CSO: 4212/55

PEOPLE'S REPUBLIC OF KAMPUCHEA

PHNOM PENH REPORTS CHALLENGER DESTRUCTION

BK011430 Phnom Penh Domestic Service in Cambodian 1300 GMT 1 Feb 86

[Text] According to news sources in the United States, on 28 January the U.S. space shuttle "Challenger" exploded over the Atlantic Ocean 75 seconds after its blast-off from the Cape Canaveral launch center in Florida. It was only 15 km above earth. All seven astronauts, including two women, died in the explosion. According to experts, the explosion of the \$1.2 billion spaceship might have been caused by an explosion of the ship's fuel tank, filled with liquid hydrogen and oxygen. Observers estimate that resumption of the shuttle flights would not be possible for the next few months.

Speaking on CNN radio, U.S. expert (William) said NASA did not study thoroughly enough the technical aspects of the shuttle flights. NASA refused to comment on the cause of the "Challenger" explosion.

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CSO: 4212/55

PEOPLE'S REPUBLIC OF KAMPUCHEA

REPORT ON AGRICULTURAL DEVELOPMENTS 27 JAN-2 FEB

BK031009 [Editorial Report] Cambodian media monitored by Bangkok bureau carried the following reports on agricultural developments in Cambodia during the reporting period 27 January-2 February:

Takeo Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 27 January reports that by mid-January peasants in Kaoh Andet District had sold more than 30 metric tons of rice to the state. In a report broadcast at 1300 GMT on 29 January the radio says that last rainy season peasants in the province transplanted more than 120,600 hectares of various types of rice, or 84 percent of the plan. The report also says that by 20 January, 90 percent of the rice had been harvested with an average yield of 1.5 metric tons per hectare and that by mid-January, more than 3,200 hectares of dry season rice had been sowed and another 8,900 hectares transplanted, including 3,400 hectares of IR-36 strain; 37,500 hectares of rice are planned for this season. At 1300 GMT on 30 January, the radio reports that by early January, peasants in Prey Kabbas District had harvested 11,000 hectares of the 12,600 hectares of monsoon rice and that between 10 and 20 January, 500 hectares of dry-season rice had been sowed and another 1,600 hectares transplanted, including 300 hectares of IR-36 strain.

Kompong Speu Province: In a report broadcast at 1300 GMT on 27 January the radio says that by 9 January peasants in Samraong Tong District had sold more than 100 metric tons of paddy to the state. According to Phnom Penh SPK in French at 1152 GMT on 29 January, by mid-January peasants in Kong Pisei District had harvested more than 9,000 hectares of rice or 85 percent of the rice planted during last rainy season, with an average yield of 1 metric ton per hectare. At the same time, peasants also transplanted 170 hectares of rice and planted more than 300 hectares of subsidiary crops.

Kompong Som Municipality: The radio at 1300 GMT on 27 January reports that fishermen in the municipality caught more than 1,670 metric tons of fish in 1985.

Kompong Chhnang Province: At 0430 GMT on 28 January the radio says that by 16 January peasants in the province had sowed more than 370 hectares of dry-season rice, transplanted more than 600 hectares of rice, and planted more than 2,000 hectares of subsidiary crops and more than 178 hectares of industrial crops.

Pursat Province: In a report broadcast at 0430 GMT on 29 January the radio says that by mid-January peasants in Kandieng District had harvested nearly 460 hectares of rainy season rice with a yield of nearly 700 metric tons and planted almost 988 hectares of subsidiary crops.

Kompong Cham Province: At 0430 GMT on 30 January the radio reports that by 10 January the trade service in Chamka Leu District had bought 16 metric tons of paddy, more than 800 metric tons of sesame, more than 810 metric tons of mungbeans, and nearly 7,500 metric tons of soybeans from peasants. In another report broadcast at 1300 GMT on 2 February, the radio says that by mid-January peasants in Memot District had harvested more than 9,180 hectares of rice with an average yield of 1.5 metric tons per hectare; more than 1,940 metric tons of paddy had also been sold to the state.

Kandal Province: According to the radio at 0430 GMT on 30 January, last rainy season peasants in the province planted nearly 47,000 hectares of rice; by January, more than 13,500 hectares had been harvested with a yield of more than 25,500 metric tons; nearly 3,000 hectares and more than 9,400 hectares of rice had also been sowed and transplanted. In another report broadcast at 0430 GMT on 31 January the radio says that by mid-January peasants in the suburban area of the provincial seat had harvested 160 hectares of rainy season rice and that they plan to grow 350 hectares of dry season rice. At 1300 GMT on 1 February the radio reports that by 15 January peasants in Kien Svay District had transplanted 1,920 hectares of dry-season rice and planted more than 30 hectares of corn, more than 30 hectares of sugarcane, and more than 260 hectares of beans. The peasants also received 470 metric tons of chemical fertilizers from the local agricultural service, adds the report. According to SPK in French at 0416 GMT on 1 February, in 1985 peasants in Lvea Em District planted 449 hectares of rice with a yield of 1,226 metric tons; 1,419 hectares of corn with a yield of 1,603 metric tons; and more than 200 hectares of subsidiary crops. The report also says that during the same period, fishermen in this locality caught more than 1,890 metric tons of fish; currently, there are 6,300 head of cattle and 3,200 pigs in the district.

Kompong Thom Province: At 0430 GMT on 31 January the radio reports that from 4 to 10 January peasants in Sandan District had sold more than 30 metric tons of paddy to the state. In another report broadcast at 0430 GMT on 2 February the radio says that during the 1985 rainy season, peasants in Santuk District planted more than 14,850 hectares of rice and that by the end of December, 2,250 hectares of rainy season rice had been harvested.

Svay Rieng Province: At 1300 GMT on 31 January the radio reports that by the end of January, peasants in Svay Rieng District had harvested more than 23,000 hectares of monsoon rice with a yield of more than 2 metric tons per hectare; by mid-January, more than 150 hectares of rice had been transplanted. The report also says that currently the peasants are working on 670 hectares of dry season rice. In a report broadcast at 0430 GMT on 1 February the radio says that by mid-January peasants in Chantrea District had harvested almost 2,300 hectares of rice and sold more than 300 metric tons of paddy

to the state. According to the radio at 1300 GMT on 1 February, by mid-January peasants in Svay Rieng District had sold to the state more than 900 metric tons of surplus paddy. In another report broadcast at 1300 GMT on 2 February, the radio says that by 15 January peasants in Chantrea District had tilled almost 100 hectares of land, sowed more than 10 hectares, broadcast more than 4 hectares of rice, produced almost 20 metric tons of natural fertilizers, and planted more than 30 hectares of subsidiary crops.

Koh Kong Province: At 1300 GMT on 2 February the radio reports that according to the deputy chief of the provincial trade office, in 1985, 555 metric tons of paddy were bought from peasants.

Battambang Province: SPK in English at 1156 GMT on 27 January reports that this dry season, peasants in Battambang District transplanted 670 hectares of IR-36 rice.

Prey Veng Province: At 1156 GMT on 27 January SPK in English says that by mid-January, peasants in the province had sowed 2,000 hectares of rice and transplanted another 10,500 hectares of the 25,000 hectares planned for this dry season. To help peasants fulfill their plan, the district trade service provided them with 1,300 metric tons of chemical fertilizers and 4,000 liters of insecticide, adds the report. In Sithor Kandal District, during a period of 20 days ending 6 January, peasants sold to the state 50 metric tons of surplus rice, according to SPK in English at 1156 GMT on 27 January.

Preah Vihear Province: In a report in French transmitted at 0432 GMT on 29 January SPK says that in 1985, despite natural disasters, peasants in the province planted 11,000 hectares of rice, or 80 percent of their annual plan, and 800 hectares of subsidiary crops. There are almost 34,500 head of cattle and 11,700 pigs in the province. The report also says that after the harvest in 1985, peasants sold 1,870 metric tons of paddy to the state, representing an increase of 34 percent of the plan.

Sime Reap-Oddar Meanchey Province: SPK in French at 0426 GMT on 1 February reports that by mid-January, peasants in the province had harvested 15,000 hectares of rainy season rice and planted 3,000 hectares of dry season rice; almost 2,200 hectares of subsidiary crops had also been planted and so far, 1,640 metric tons of paddy have been sold to the state.

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CSO: 4212/55

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

LITERACY CAMPAIGN MEETING--Phnom Penh, 1 Feb (SPK)--By the end of December, as part of the second 3-year plan for the elimination of illiteracy, Phnom Penh City had made 11,462 persons, or 90 percent of the remaining illiterate people, literate. This is stated in a report by Phnom Penh's committee for the fight against illiteracy during its annual meeting on this matter held on 27 January in the presence of its chairman, Nguon Nhel. Therefore, as many as seven wards have been completely freed from this scourge, namely Chhba Ampeou, Chrang Chamreh, Khmuonh, O Bek K'am, and Wards No 1, No 4, and No 6. After becoming literate, these persons have attended complementary courses organized for them. There are now 19 complementary schools at various levels, with a total of 9,382 students. Last year, out of these students, 237 graduated with certificates of primary education, 300 with certificates of secondary education, and 86 of tertiary education. Addressing the meeting, Nguon Nhel, also alternate member of the KPRP Central Committee Political Bureau and secretary of Phnom Penh City's provisional party committee, urged the participants to do their best in order to completely eliminate illiteracy from Phnom Penh's population by the end of June 1986, the date when the second 3-year plan of the campaign expires. He also stressed the need to encourage those becoming literate to attend complementary courses so that they can serve the fatherland more efficiently. [Text] [Phnom Penh SPK in French 0421 GMT 1 Feb 86 BK]/12766

HUNGARIAN HEALTH DELEGATION LEAVES--Phnom Penh, 31 Jan (SPK)--A delegation of the Health Ministry of the Hungarian People's Republic led by Secretary of State Imre Huta left Phnom Penh on Thursday at the end of its 4-day visit to Cambodia. It was seen off by Yit Kimseng and Nut Savoeun, Cambodian minister and deputy minister of health respectively. During it's stay in Cambodia, the delegation was received by Hun Sen, Political Bureau member of the KPRP Central Committee, chairman of the Council of Ministers, and minister of foreign affairs. It also signed with Minister Yit Kimseng an agreement on health cooperation between the PRK and the Hungarian People's Republic for 1986-90. The delegation also visited the School of Medicine and Pharmacy in Phnom Penh, the Medical Workers Training School, the Tuol Sleng Museum of Genocide, the former royal palace, and the national museum. [Text] [Phnom Penh SPK in French 0426 GMT 31 Jan 86 BK]/12766

LPDR BANKING COOPERATION DOCUMENT SIGNED--Phnom Penh, 28 Jan (SPK)--An official report [process-verbal] on banking cooperation for the 1986-87 period between the PRK and the LPDR was signed in Phnom Penh on 27 January. The signatories

were Cha Rieng, director of the People's National Bank of Cambodia, and Boutsabong Souvannavong, director of the State Bank of Laos, who was visiting Cambodia. Chea Che, deputy director of the Bank of Cambodia, and Pheli Khounlaleuk, Lao ambassador to Cambodia, were also present at the signing ceremony. [Text] [Phnom Penh SPK in French 0448 GMT 28 Jan 86 BK]/12766

LAO STATE BANK DELEGATION VISITS--Phnom Penh, 27 Jan (SPK)--Hun Sen, member of the KPRP Central Committee Political Bureau, chairman of the Council of Ministers, and minister of foreign affairs of Cambodia, received in Phnom Penh this morning the visiting delegation of Laos' State Bank led by Director Boutsabong Souvannavong. Speaking on this occasion, Chairman Hun Sen informed his guests of the economic, financial, and monetary situation of Cambodia during the past 7 years and stressed the need for cooperation among the Cambodian, Lao, and Vietnamese banks in currency management. For his part, Boutsabong Souvannavong talked about the fruitful outcome of the third conference of bank directors of the three Indochinese countries held recently in Hanoi and reaffirmed his determination to carry out well the resolutions of that conference. Cha Rieng, director of the People's National Bank of Cambodia, was present at the audience. [Text] [Phnom Penh SPK in French 1235 GMT 27 Jan 86 BK]/12766

JANUARY BATTLE SUCCESSES--In 274 clashes taking place in various localities in January, we achieved brilliant success by putting out [of] action more than 1,000 enemy soldiers, including 241 killed on the spot, 82 wounded, 95 captured, and 514 others persuaded to surrender to the revolutionary authorities prior to being allowed to return to the national society. We seized 372 assorted weapons, 270 artillery shells, 174 mines, 11 walkie-talkies, and a large quantity of war materiel. [Excerpt] [Phnom Penh Domestic Service in Cambodian 1200 GMT 30 Jan 86] /8309

KOMPONG THOM MILITARY ACTIVITIES--In 1985, our militiamen and security forces in Stoung District, Kompong Thom Province, cooperated closely with the Vietnamese volunteer army in sweeping up the Pol Pot, Son Sann, and Sihanouk bandits who had infiltrated to carry out destructive activities and disrupt our people's peaceful life. We engaged the enemies 97 times, killing 68 and wounding 63; taking 14 prisoners; and seizing 10 AK's, 4 B-40's, 1 RPD, 1 B-47, 1 M-79, and a quantity of various types of ammunition, war materiel, and medicine. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 1 Feb 86] /8309

POLICE FORCE SUCCESS--A meeting was held recently at Kampot Province's police department to sum up work done by the police forces throughout the province in 1985 and to set targets for 1986. On this occasion, Comrade Mau Chandara, deputy head of an Interior Ministry department, stressed the perfidious maneuvers of the enemies who continued to create trouble and unrest among the people and use psychological warfare tactics to split the Cambodia-Vietnam solidarity, the life-or-death factor of the Cambodian revolution. He praised the quantitative and qualitative growth of the police forces from provincial to grassroots levels, growth which has made the efforts to ensure social order a big success and brought progress to combat and combat readiness, thereby causing successive setbacks for the enemies. He also urged the meeting participants to strive to enhance their fighting spirit and overcome all difficulties in smashing the Pol Pot-Sihanouk-Son Sann bandits in order to ensure peace and security for our people. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 5 Feb 86] /8309

1985 KPRAF ACTIONS--In 1985, KPRAF killed 199 enemy soldiers, wounded 141, and took 35 prisoners. We seized an assortment of 34 weapons, ammunition, and mines. We uncovered and destroyed 40 enemy secret networks, arrested 125 enemy elements, including 116 Pol Pot and 9 Sereika elements; and seized 12 weapons and some mines and documents. We persuaded 73 misled persons to return to the revolution bringing with them an assortment of 45 weapons. [Excerpt] [Phnom Penh Domestic Service in Cambodian 1200 GMT 4 Feb 86] /8309

CSO: 4212/55

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM-SOVIET COOPERATION: ACHIEVEMENTS AND PROSPECTS

Hanoi VIETNAM COURIER in English Dec 85 pp 3, 4, 12

[Text] The Treaty of Friendship and Cooperation concluded between the SRV and the USSR on 3 November 1978 and valid for 25 years has taken the fraternal relationship between the two countries to a new stage, one of all-sided development, both in depth and in scope. The long-term economic and scientific-technological cooperation programme between the two countries, signed on 31 October 1983, has mapped out concrete steps aimed at helping Vietnam build the material and technical bases of socialism, rapidly become an active member of the Council for Mutual Economic Assistance, and take effective part in the economic integration of the world socialist community. While the volume of cooperation in the 1975-1980 period equalled that of the previous twenty years, in 1981-1985 it has doubled in comparison with the previous five years and will increase several-fold in the last fifteen years of the 20th century.

In 1985 alone, within the framework of cooperation with the Soviet Union, the Vietnamese side has completed many new major projects: the 5.3 km-long Thang Long bridge, the longest in Southeast Asia, which helps solve the problem of communications across the Red River in Hanoi; the building complex in Xuan Mai, a project of unprecedented scale in Vietnam, which doubles residential house-building capacity in the capital; the installation of the third of the four turbine generators of the 640,000 kw Pha Lai thermo-electric power station; the first part of the Song Cong diesel-engine plant with a total capacity of 100,000 h.p./year, which will equip our fishing boats and river boats. In this year marked by the celebration of great anniversaries in Vietnam, the Soviet Union and the world, the V. I. Lenin Memorial and the Vietnam-Soviet Friendship Working People's Place of Culture were inaugurated in Hanoi. Work has also started on the building of the Ho Chi Minh Museum, with the assistance of the Soviet Union. Clearly, this has been a year of particularly fruitful Vietnam-Soviet cooperation.

This all-sided cooperation, or more accurately, Soviet assistance to Vietnam in all fields, has played a decisive role in taking Vietnam's economy from scattered small-scale production to large-scale socialist production. It has helped Vietnam build key projects in all fields: energy, fuel, machine-building, transport and communications, agriculture.... The foundations are being laid for an independent and sovereign Vietnamese economy, and a springboard created for its rapid advance to modernization.

Prime importance has been attached to the energy industry, whose task it is to pave the way for socialist industrialization. At the construction site of the 1.92-million kw Hoa Binh hydropower station, the largest in Southeast Asia, concrete is being poured for the building of the main parts of the project; the temporary canal will soon be blocked and the river water channelled into the tunnels; the No 1 turbine generator will be commissioned in 1987. At the 400,000 kw Tri An hydropower station being constructed at a fast tempo, the No 1 turbine generator will also be put into operation in 1987, when the above-mentioned Pha Lai thermo-electric power station will have been fully in operation. These large-scale projects, together with the hydropower and thermo-power stations which had been built in the North with Soviet aid after the end of the anti-French war of resistance in 1954, and restored after the end of the anti-U.S. war of resistance, will make a complete national grid. To have a just idea of the scope of electrification being conducted in Vietnam at a speed difficult to attain in a developing country, it should be recalled that at the time when Hanoi was freed from the occupation of the French Expeditionary Corps, in 1954, the Vietnamese capital had only a rickety power station of 20,000 kw, that is, less than 5% of the capacity of the Pha Lai power station and 1% of that of the Hoa Binh power station.

In the field of fuel exploitation, over the last three decades, the Soviet Union has helped Vietnam re-equip, and enlarge coal mines and explore new deposits in Quang Ninh, thus increasing about tenfold its coal-mining capabilities compared with the days under French colonial rule. However, long-term strategic importance is assumed in this field by oil exploration and exploitation on the continental shelf in the South, off the coast of Vung Tau. The Vietsovpetro joint company has recorded great achievements: three exploratory drilling operations in Block Bach Ho and one in Block Hai Long have struck oil. The No 1 oil platform has been installed, the experimental well for industrial exploitation is about to be completed together with the pipeline running to the shore. There is every ground to believe that the year 1986 will see the start of the Vietnamese oil industry.

An event of major import happened just as Vietnam was at the threshold of its 1986-1990 five-year plan: the very successful talks between General Secretaries Le Duan and Mikhail S. Gorbachev in Moscow last June opened up great prospects for cooperation between the two countries in the new stage. Efforts will be centered on projects which will have an overall effect on Vietnam's economy and the development of its exports. Particularly, oil and gas exploration and exploitation on its continental shelf will be boosted and construction will be started of oil refineries and petrochemical plants, fertilizer plants and energy-generating plants consonant with the over-all plan for the development of this new industry. New machine-building plants will be constructed. The railway network will be improved and enlarged. While completing economic-technical studies for the building of a metallurgical complex, the construction of a metallurgical plant smelting scrap metal with a yearly capacity of a half million tons will be started.

The production of natural rubber is also an important sector of Vietnam-Soviet cooperation. In 1981-1985, with the material and technical aid of the Soviet Union, Vietnam has been able to grow 50,000 ha more of rubber; by the year

2000, the area under rubber will have grown to about 300,000 ha (110,000 ha in the course of the 1986-1990 five-year plan). A large-scale industrial-agricultural structure is being built with a view to the expansion of this topical crop of high value for both domestic industries and export. Likewise, the two countries will develop cooperation in the growing of fruit, vegetables, coffee, tea and tobacco.

Owing to the various difficulties resulting from prolonged wars, the Asian mode of production, old-style colonialism and neo-colonialism, the Vietnamese side has not always been able to make optimum use of Soviet material and technical aid. No few problems are also encountered by the Soviet side, which has to cope with increasingly savage war schemes of imperialist powers headed by U.S. imperialism while striving to honour its internationalist obligations towards the revolutionary movements of the peoples across the world--in Europe, Asia, Africa and Latin America. In order to increase the effectiveness of this co-operation and perfect their bilateral relationships on the basis of long-term plans, the various departments of the two States have worked out a programme aimed at improving the efficiency of enterprises built in Vietnam with Soviet aid in the coming five years.

Another important feature of Vietnam-Soviet cooperation is the steady development of trade relations between the two countries. The volume of goods exchanged increased from 1 billion roubles in 1982 to 1.3 billion roubles in 1984. the Soviet Union has helped Vietnam meet its needs in metals, oil products, fertilizers, machine tools, various kinds of equipment, and consumer goods. In 1981-1985 in particular, the Soviet Union has supplied Vietnam with 9 million tons of oil products, over 4 million tons of nitrogenous fertilizer, nearly 1 million tons of rolled ferrous metal, 150,000 tons of cotton, 16,000 lorries and about 750,000 tons of foodstuffs.

Scientific-technological cooperation between the two countries has been developing with every passing day. At present, scientists in the two countries are conducting 88 joint studies in 23 key branches of the Vietnamese economy. A few examples in agriculture, the creation of promising fast-growth strains of rice such as Vietnam-Soviet 1-2, and Vietnam-Soviet 1-10 yielding respectively (5-6 tonnes and 10-11 tonnes per hectare per crop; and that of new high-yield strains of other cereals, vegetables, and industrial plants. The Soviet-Vietnam tropical meteorological laboratory is working on perfecting the forecasting and monitoring of typhoons. With Soviet material and technical assistance, Vietnam is building the Gia Sang research station of lightning, which will help bring under control a scourge which has been causing severe losses of life and property in various areas of the country.

The Vietnam Institute of Sciences and the Vietnam Committee for Social Sciences are cooperating with the USSR Academy of Sciences in 58 study projects in 27 fields. The Soviet Union has helped Vietnam train 60,000 experts, including 20,000 university graduates and 3,000 doctors and candidate doctors of science. These do not include a body of skilled workers and technicians trained or upgraded on the job, as at the construction sites of the Thac Ba, Hoa Binh, and Tri An hydropower stations, the Uong Bi, Vinh, and Pha Lai thermoelectric power

stations, the Thang Long bridge, the Bim Son cement plant, the Van Danh and Cao Son coal mines, the Tinh Tuc tin mine, etc.

When Lenin advanced his thesis that backward nations can advance directly to socialism without going through the stage of capitalist development, he pointed out that the prerequisite for this process is assistance from the proletariat in power in developed industrial country. This brilliant thesis has found eloquent confirmation in the case of Vietnam. It is also being proved in Cuba as it has found evidence in the People's Republic of Mongolia.

/9274

CSO: 4200/673

INTERNATIONAL RELATIONS, TRADE, AND AID

VAN TIEN DUNG'S GREETINGS TO LPA CHIEF

BK090955 Hanoi NHAN DAN in Vietnamese 21 Jan 86 pp 1, 4

[Greetings Message from Senior General Van Tien Dung, member of the CPV Central Committee Political Bureau and minister of national defense, to General Khamtai Siphandon, member of the LPRP Central Committee Political Bureau, vice-chairman of the Lao Council of Ministers, and minister of national defense on the occasion of the 37th anniversary of the Lao People's Army]

[Text] Dear comrade minister: On the occasion of the commemoration of the 37th founding anniversary of the LPA, on behalf of generals, officers, non-commissioned officers, and combatants of the VPA, and on my own behalf, may I convey to you, comrade minister, and through you to all generals, officers, noncommissioned officers, and combatants of the fraternal LPA my militant solidarity greetings and warmest wishes.

Under the leadership of the LPRP headed by esteemed Comrade General Secretary Kaysone Phomvihan, the LPA, together with the entire Lao people, has made brilliant exploits successively defeating the French colonialist and the U.S. imperialist aggressors, thus bringing Laos into a new era of peace, independence, unification, and transition toward socialism.

Entering the new revolutionary stage and developing the tradition of heroism in the war of national liberation, the LPA has strived to build its increasingly strong forces. Together with people throughout the country, it has foiled schemes and acts of sabotage of all enemies, firmly defended the fatherland's sacred territory, and protected the cause of socialist construction in the beautiful nation of Laos, thereby positively contributing to maintaining peace and security in Indochina, Southeast Asia, and the rest of the world.

The VPA is very proud of the indomitable comrade-in-arms and intimate brother as the LPA and greatly rejoices over the fine development of the special relationship which has bound the armies and peoples of our two countries.

On this occasion, I would like to express our sincere and profound gratitude to the party, state, people, and the army of Laos for their warm feelings, loyal and pure solidarity, and whole-hearted support and assistance to the Vietnamese people's revolutionary cause.

May the LPA record still greater achievements in all fields, enhance its fighting strength, firmly defend the revolutionary gains, and successfully fulfill the tasks set forth by the Third LPRP Congress.

May the militant solidarity, the special relationship, and fraternal cooperation between our two peoples and armies be further consolidated and developed.

I wish you, comrade minister, good health and many new successes in your lofty tasks.

Please accept, comrade, my respectful salutation.

/12712  
CSO: 4209/283

## LEADERS GREET LAO COUNTERPARTS ON BORDER TREATY

BK091022 Hanoi NHAN DAN in Vietnamese 27 Jan 86 p 1

[Text" of 24 January congratulatory message from Le Duan, general secretary of the CPV Central Committee; Truong Chinh, chairman of the Council of State; Pham Van Dong, chairman of the Council of Ministers; and Nguyen Huu Tho, chairman of the National Assembly, to Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the LPDR Council of Ministers, and Souphanouvong, president of the LPDR and chairman of the Supreme People's Council]

[Text] On the occasion of the signing of the complementary agreement on Vietnamese-Lao border delimitation and the protocol on the on-spot delimitation and planting of border markers on the whole length of the Vietnam-Laos border, we are extremely happy to extend to you and the Lao people our heartiest greetings and warmest sentiments.

Following the Vietnamese-Lao border delimitation treaty signed on 18 July 1977, the signing of these documents is a success of the fraternal cooperation between the parties, governments, and people of our two countries, a great victory of the special solidarity between Vietnam and Laos, and a common achievement in which our two nations can deservedly take pride.

From now on, there exists between the two countries an official border determined by treaties, delimited on the spot, and marked by a system of standard markers. The official delimitation of the national border between our two countries reflects the basic principle of the relations between the two countries--that is, mutual respect for national independence, sovereignty, territorial integrity, and legitimate interests. It is consistent with international law and practice and meets the deep aspiration of the two people to have a common border of lasting friendship. It is also an example of the combination of genuine patriotism with lofty proletarian internationalism and a manifestation of the special relations and the firm, loyal, and pure solidarity between the two fraternal parties and countries.

The party, government, and people of Vietnam affirm their determination to build the Vietnamese-Lao border into a border of eternal solidarity, friendship, and cooperation between the two countries for the sake of each country's national construction and defense and of peace and stability in Southeast Asia and the rest of the world.

We respectfully wish you good health and many greater successes in carrying out your noble tasks, thereby steadily advancing Laos to socialism.

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CSO: 4209/283

INTERNATIONAL RELATIONS, TRADE, AND AID

NHAN DAN WELCOMES CUBAN COMMUNIST PARTY CONGRESS

OW040911 Hanoi VNA in English 0659 GMT 4 Feb 86

[Text] Hanoi VNA Feb 4--NHAN DAN in its editorial today says that the 3rd Congress of the Communist Party of Cuba has a special importance for the communists, working class and fraternal people of Cuba, and at the same time, is an event in the political life of the International Communist and Workers' Movement.

The paper goes on:

"Since the 2nd Congress of the Party (December 1980), the Cuban revolution has constantly been consolidated and made firm steps forward. Although U.S. imperialism continues its hostile policy against Cuba, and natural calamities caused a rather serious situation in the country, the heroic Cuban people, under the correct leadership of the Communist Party of Cuba headed by Comrade Fidel Castro, continue to win big successes. Cuba has defeated the enemy's wicked schemes, firmly defended the country's independence and sovereignty while fulfilling its internationalist duty."

The paper reviews Cuba's achievements in economic construction, cultural development and national defense and praises the correct foreign policy of the Cuban party and state.

It notes:

"In recent years, in spite of U.S. pressure, dozens of Latin American countries have restored or established their foreign and trade relations with Cuba, and supported Cuba's initiatives against imperialism. They have realized more and more clearly the war-like and militarists nature of the "North America Devil" and its brutal exploitation of the Latin American countries and many developing countries. Inspired by the shining example of the "free island," the Latin American peoples have strengthened unity with Cuba, rallied themselves in a common front against imperialism to defend their fundamental and legitimate interests, and strive for a new economic order."

The paper continues:

"Cuba is always a shining example for all nations in the world in their struggle for independence, freedom and social progress. Cuba is always a symbol of

revolutionary offensive, indomitable will and clever combination of patriotism with noble socialist internationalism."

The paper expresses the Vietnamese people's gratitude to the Communist Party, the government and people of Cuba for their effective and precious support and assistance in the national liberation fight in the past as well as in the present construction and defense of the socialist Vietnam." [no opening quote as received].

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INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

COMMUNIQUE SUPPORTS CAMBODIA STANCE--Hanoi VNA Feb 7--"The Nicaraguan Government resolutely supports the three Indochinese countries' efforts for a peaceful settlement to the Kampuchea issue on the principle of non-interference with the internal affairs of the Kampuchean people." This comes in a communique released Tuesday by the Nicaraguan Ministry for Foreign Affairs welcoming the recent Indochinese ministerial conference in Vientiane, Laos. The communique continues: "Nicaragua supports all efforts to establish a region of peace in Southeast Asia on the basis of peaceful co-existence, without external interference and threats to the countries in the region." "Nicaragua welcomes Kampuchea, Laos and Vietnam's readiness to restore the relations of friendship and cooperation with the People's Republic of China and considers them an interest for world peace," the communique adds. [Text] [Hanoi VNA in English 1544 GMT 7 Feb 86 OW] /12712

USSR AMBASSADOR BESTOWS FRIENDSHIP ORDER--Hanoi VNA Feb 7--Soviet Ambassador to Vietnam B.N. Chaplin, who acted on behalf of the Presidium of the Supreme Soviet of the USSR, today conferred the order "Friendship Among Peoples" on Nguyen Kien and Tran Dang Khoa, vice presidents of the Vietnam-USSR Friendship Association (VUFA), in recognition of their big contributions to the consolidation and development of the Vietnamese-Soviet friendship. Present at the conferment ceremony were Vu Quang, member of the Communist Party of Vietnam Central Committee and head of its international department; Nguyen Vinh, member of the CPV Central Committee and president of the VUFA, Nguyen Di Nien, assistant to the foreign minister; and others. Speaking on the occasion, Ambassador B.N. Chaplin stressed that the conferment spells out the high value for the conferees activities for the great friendship, and all-round cooperation between the Soviet and Vietnamese peoples. On the occasion of Vietnam's traditional New Year Festival, he wished the Vietnamese people further achievements in their socialist construction and national defense. Nguyen Kien and Tran Dang Khoa sincerely thanked the Presidium of the Supreme Soviet for this award and promised to do their best to make the friendship between the two peoples everlasting. [Text] [Hanoi VNA in English 1558 GMT 7 Feb 86 OW] /12712

CONGOLESE ENVOY TAKES LEAVE OF VAN DONG--Hanoi VNA Feb 7--The Ambassador Extraordinary and Plenipotentiary of the People's Republic of Congo, Jean Claude Ganga, yesterday paid a farewell visit to Chairman of the Council of Ministers Pham Van Dong before his departure home for a new assignment. [Text] [Hanoi VNA in English 1546 GMT 7 Feb 86 OW] /12712

AID TO STORM-STRICKEN PROVINCE--Hanoi VNA Feb 8--The Kampuchean Ministry of Information and Culture has offered more than 19,160 riel (Kampuchean currency) as relief to storm victims in the Vietnamese coastal province of Binh Tri Thien. The money has been delivered to the Vietnamese Embassy in Kampuchea by Vice Minister of Information and Culture Chey Sonphea. [Text] [Hanoi VNA in English 1536 GMT 8 Feb 86 OW] /12712

CSO: 4200/667

PARTY ACTIVITIES AND GOVERNMENT

PHAM VAN DONG MEETS WITH HANOI WORKERS

OW081909 Hanoi Domestic Service in Vietnamese 1100 GMT 5 Feb 86

[Station correspondent Kim Cuc's report on the Get-together Between Chairman Pham Van Dong of the Council of Ministers and representatives of the capital's workers and laborers in Hanoi on 5 February 1986--with portions recorded]

[Excerpts] A cordial and emotional get-together between Chairman Pham Van Dong and more than 200 representatives of the capital's cadres, workers, and laborers was held this morning at the office of the Hanoi Municipal Trade Union.

Chairman Pham Van Dong entered the meeting room with a happy smile and warm salutations extended to those present there who expressed their sincere sentiments through long applause.

Chairman Pham Van Dong was moved as Comrade Secretary Le Van Luong of the Hanoi Municipal Party Committee cordially expressed wishes for his good health on the occasion of the new year. Perhaps he was even more pleased when Comrade Pham Loi, secretary of the Hanoi Trade Union Federation reported on the achievements scored by the cadres, workers, and laborers of the capital in their creative labor and in the implementation of socioeconomic tasks. He attentively listened to the latter's report while taking notes on the successes achieved in a situation replete with many difficulties in life and production. Great joy appeared on his face when he was informed that, through the revolutionary movement and despite all difficulties in economy and life, the revolutionary nature of the contingent of cadres and workers in the capital had been clearly revealed in the fact that they had remained firm and steady, overcoming all hardships and ordeals and striving to fulfill all tasks in the state plan, thus proving to be a steady support of the capital's party organization and people. However, he suddenly frowned when Comrade Pham Loi reported on the shortcomings, weaknesses, and difficulties experienced in the lives of the cadres, workers, and laborers of the capital.

Sincerity, frankness, and emotion were manifested at this morning's get-together when Chairman Pham Van Dong listened to the views expressed by representatives of the workers and laborers of the capital, on their problems and responsibilities regarding life and the capital's socioeconomic development.

Labor hero Nguyen The Hung of Machine Tool Plant No 1 raised the issue of formulating a system or policy regarding high-level workers--an issue of many people's concern. As we know, there are slightly more than 3,000 high-level workers out of the 55,000 technical workers in our country. According to Nguyen The Hung, high-level workers can assume the detailed and complicated tasks in a factory or enterprise, but our country has no proper policy of treatment to encourage them to devote all their minds talents to production. Upon hearing that, Chairman Pham Van Dong suggested that a system or policy be adopted and an emulation movement for creative labor be launched to motivate and encourage all people. When sister Nguyen Thi Tam, director of the Minh Khai textile mill, spoke on the mill's efforts to stabilize production and the lives of cadres and workers, he manifested his satisfaction and joy over the great endeavor of the mill's personnel to overcome difficulties in electricity and raw materials to maintain production and work 6 and a half hours per day.

After hearing their views, Chairman Pham Van Dong had a cordial talk with the representatives. He dealt with five issues. First, he stressed the need to strive to stabilize prices and manage markets in order to create favorable conditions for life and production, because this is the most important and pressing issue that the Hanoi municipal party organization and people must settle. Second, he dealt with the issue of labor productivity. He stressed the need to provide jobs for all people in the current situation and to work in a disciplined and methodical manner in order to achieve high productivity and quality, because this is extremely important. Third, he stressed the need to keep Hanoi City clean and elegant. He said: Poverty is not a bad thing, but we must strive to keep our city cleaner, more beautiful, and more civilized so that it can stay worthy of its level and position. Further, he spoke of social order, security, and safety. He urged the people of Hanoi to settle this issue properly. Fifth, he stressed the need to motivate the masses' revolutionary spirit to settle the four issues previously mentioned. He urged the creation of a mass movement to satisfactorily implement the party's resolutions in order to reduce difficulties in production and life. According to him, these five issues should be settled by the cadres and people of Hanoi and everyone must work hard to overcome difficulties.

In a cordial and warm atmosphere, Chairman Pham Van Dong addressed representatives of the capital's workers and laborers. He said:

[Begin Pham Van Dong recording] Today, I am here to extend the greetings to you on the occasion of this early spring day and also of a historical day. But, I think this is not the most important thing. If I had only this to do, I think I would not bother you and waste your time. I have truly come here for the greetings but as well for another more important purpose. I have something to tell you. I am going to talk with you about the work relations between you and me, in the future, if you agree. I am going to suggest some things that we will do together. Later, we will continue to meet each other annually to see how we have fulfilled our mutual pledges. This is my proposal to Comrade Luong, Comrade Vy, Comrade Loi, and Comrade [name indistinct] by my side. If you agree, we will hold periodic get-togethers to review our tasks. Apart from other things, Comrade Luong spoke concisely of two important

things. Then, Comrade Loi mentioned five general things in his report. As for me, I have a short article on three things for the immediate future. Has it been sent to you yet? You have it. Now, I want to clarify further. I have suggested five points. Do you comrades in charge of the city, especially those in charge of the Trade Union Federation, agree with me on these points? If you agree, we will do this: We will hold an enlarged meeting, next year. Those persons in charge of the production, distribution, circulation, scientific, technical, literary, art, health, cultural, and agricultural installations and of the wards in the inner and outlying districts and so forth will hold this enlarged meeting, if you find it necessary. We will meet next May to hear them report on their achievements. Each person will be allowed to speak for only 15 minutes. Let everyone prepare a report. If we have much time, we will hear all reports. As for me, I am ready to hear all of them. Otherwise, I will read your reports if they are available to know how you have done your jobs and what progress the capital has achieved in each period of time. [laughter and applause] [end recording]

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After Chairman Pham Van Dong's address, Comrade Pham Loi, on behalf of the workers and laborers of the capital, pledged to implement what the chairman was concerned with.

[Begin Pham Loi recording] Comrade Pham Van Dong, all your suggestions are considered tasks which all workers, laborers, and trade unions of the capital must carry out in the future. On behalf of all comrades present here, I pledge to accept them as a program of action and urgent tasks which our workers, laborers, and trade unions as well as our city must implement in the future. We agree to gladly report our achievements to you on 1 May and to hold periodic working sessions with you and brief you on the efforts of the cadres, workers, and laborers of the capital in implementing the socio-economic tasks, especially the tasks suggested by you. [applause] [end recording]

On this spring day, the get-together between Chairman Pham Van Dong and representatives of the capital's workers and laborers took place in a warm and cordial atmosphere, manifesting the profound care of the party and state for the cadres and people of Hanoi City.

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AGRICULTURE

MEASURES CITED TO 'REJUVENATE' RED RIVER DELTA

OW100825 Hanoi VNA in English 0741 GMT 10 Feb 86

[Text] Hanoi VNA Feb 9--The North Vietnam Delta, cradle of the Red River civilization was formed by the alluvium of the Red and Thai Binh Rivers. Embankment work undertaken for centuries have helped broaden the delta by 150 square kilometers and prolong it 160 kilometers seawards.

A system of 1,600 kilometers of dykes built over the years has considerably reduced the danger of and damage by annual floods. But it has at the same time alienated the whole area from its process of natural development. The silt has ceased to build up along the river banks to fill up the depressed areas and improve the soil in higher areas. In other words, "the delta has died before its maturity."

To rejuvenate the Red River Delta, a variety of measures may be applied:

a) Either to use alluvial water to irrigate the fields. This will have a salutary effect in many respects. It will improve the soil structure and gradually increase the ratio of physical clay in the soil, thus also increasing the content of nutritive substances in the soil. It will improve the chemical properties of the field: one ton of alluvium of the Red River contains 12-37 kilograms of humus, 7-14 kilos of nitrogenous sulphate and 1.5-4 kilos of superphosphate. A layer of [number indistinct] centimeters of alluvial water per hectare of ricefield will have the same effect as one ton of manure of average quality.

It may increase productivity of rice by 31% (compared with the unirrigated fields).

In 1967, about 400,000 hectares in the Red River Delta was irrigated by alluvial water. This area may be raised to 600,000-700,000 hectares.

b) Or to strongly develop pig rearing in order to increase the supply of nitrogenous fertilizer. The present number of 3 million pigs must be raised to 3.5 million in 1990 and 4.5 million in the year 2000. To this end, we have to improve the breed as well as the fodder and veterinary service in order to increase the average weight of pigs to 70-75 kilograms.

However, it should be reminded that manure contributes only 27 percent of the nitrogen needed by the rice plant.

Therefore, chemical fertilizers such as nitrogen, phosphate and potassium play a very important role in the improvement of the soil of the Red River Delta.

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AGRICULTURE

TRANSFORMATION OF ALUMINOUS SOIL IN DONG THAP

OW082011 Hanoi VNA in English 1513 GMT 8 Feb 86

[Text] Hanoi VNA February 8--The Dong Thap Muoi (plain of reeds) in the Mekong River Delta has long been known for its vast expanses of aluminous and alkaline soil. But until recently controversy remained as how to make its alkaline and aluminous soil cultivable. A question arises: could a large-scale and thorough soil transformation program be effected in the present conditions. The answer is no since many other more urgent projects are waiting investments and equipment.

However, an interim solution has been found. It consists in combining irrigation with controlling and neutralizing acidity through an appropriate cropping system. The cajeput is chosen as a neutralizer factor. Its roots absorb acidity while its timber can be used either as fireweed or material for the paper industry. The results are encouraging as can be seen in Moc Hoa District, Dong Thap Province.

Moc Hoa which was chronically food-deficient in the past has become a main rice-producing district in the province. Annual per capita rice production is almost 600 kg, double the national average. In 1984, farmers in the district not only produced enough food for their own use but also sold the state over 100,000 tonnes of surplus rice, which is more than the district's food output in 1981 or three and a half times over the quantity of rice it sold to the state that year.

The key to success lies in applying a proper farming technique which avoids turning up the acid layer, direct sowing instead of transplanting rice seedlings, use of short-cycle rice strains and strict observance of a suitable fertilizing calendar.

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AGRICULTURE

BRIEFS

WINTER-SPRING RICE ACREAGE--By 1985, 4.5 million hectares of cultivated land in Vietnam were being watered by irrigation projects, an increase of 600,000 hectares as compared to 1980. In central provinces, thanks to the irrigation network, the acreage of winter-spring rice has been expanded and ricefield is riping. In the Mekong River Delta provinces, the acreage of winter-spring rice and some autumn rice increased nearly 200,000 hectares as compared with 1980. [Text] [Hanoi International Service in English 1000 GMT 8 Feb 86 BK]  
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TRANSPORTATION AND COMMUNICATIONS

BRIEFS

CIVIL AVIATION DEVELOPMENT--Vietnam's civil aviation has constantly developed since its foundation. The number of passengers has increased by 15 percent and freight by 150 percent in comparison with that of 1984. Many flights of Vietnam's civil aviation have served oil exploitation, forest planning, and fertilizer spraying. By now, Air Vietnam has relations with 10 other airlines. [Text] [Hanoi International Service in English 1000 GMT 7 Feb 86 BK] /12712

BRIDGES NEAR PRC BORDER--The northern border province of Lang Son has completed the building of (Ky Lua) bridge which was destroyed by Chinese aggressors in February 1979. Meanwhile, another northern border province of Hoang Lien Son also completed the construction of the (Rang) bridge. The building of these bridges is thanks to the great efforts of people in the northern border provinces who built the bridges while fighting back the Chinese acts of aggression and propagation. [Text] [Hanoi International Service in English 1000 GMT 8 Feb 86 BK] /12712

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Front Cover: The Song Con diesel-engine factory.  
Photo: Tran Son

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CHRONOLOGY

CHRONOLOGY FOR 16 OCTOBER-15 NOVEMBER 1985

Hanoi VIETNAM COURIER in English Dec 85 p 28

[Text] (16 October--15 November 1985)

October

23-26. Ho Chi Minh City: Holding of a conference of heads of Cinematographic Associations of socialist countries. Minutes are signed on cooperation between these Cinematographic Associations.

28. Hanoi: Signing of an agreement on cooperation between Vietnam and Sweden related to Swedish help to Vietnam in the second phase of the restoration of the Thu Duc thermopower plant.

31 October-1 November. A delegation of representatives of thirty large U.S. business companies and the Time publishing group pays a visit to Vietnam

November

1-7. A two-member delegation of the Indonesian Lawyers' Association comprising Mr Hasan Wargakusumah, director of the Centre for Legal Research of the Ministry of Justice and Mr Arman Bustamah, department head at the Ministry of Mining and Energy, pays a visit to Vietnam.

6. A delegation of the Italy.--Vietnam Friendship Association, headed by Enzo Agnoletti, Vice Chairman of the Senate, Chairman of the Italy-Vietnam Friendship Association, pays a friendship visit to Vietnam.

--Hanoi: Holding of the third regular meeting of leaders of General Political Departments of the armies of the three Indochinese countries.

8. Baghdad: Holding of a "Vietnam Day" at the Baghdad International fair. Taha Yassin Ramadhan, First Deputy Premier and member of the Revolutionary Leadership Council, visits the Vietnamese pavilion.

12-13. Holding of a conference of the Asian Buddhist Committee for Peace in Hanoi, with the participation of 14 Buddhist organizations from 13 countries.

13-15. Holding of the 34th regular meeting of leaders of the socialist countries' sports and physical culture organizations with the participation of representatives of member countries.

12. Holding of a press conference by the Libyan People's Office in Hanoi to condemn U.S. actions against the Libyan people. Representatives from Vietnamese offices and mass organizations attend the conference and express condemnation of the U.S. actions. They confirm Vietnam's strong support for the Libyan people's just struggle.

13. A delegation of U.S. experts on the problem of American MIAs, headed by Colonel I. B. Harvey, arrives in Hanoi to attend the regular meeting of experts. A crash site on the outskirts of Hanoi, where a U.S. bomber was shot down during the war, will be excavated.

14-22: A delegation of the SRV National Assembly, headed by its Chairman Nguyen Huu Tho, pays an official friendship visit to the GDR.

16. Ulanbator: Signing of a commercial agreement for 1986-1990 and a protocol on goods exchange for 1986 between Mongolia and Vietnam.

16-17. A delegation of political leaders of the Soviet Army and Navy led by Admiral A. I. Sorokin, first Deputy-Chief of the General Political Department of the Soviet Army and Navy, pays a friendship visit to Vietnam.

16-19. A delegation of the National Planning Commission of Hungary led by Dr. Lajos Fabuvegi, member of the Hungarian Socialist Workers' Party Central Committee, Vice-Chairman of the Council of Ministers, and head of the National Planning Commission pays a visit to Vietnam. Minutes are signed on the coordination of the two countries' national economic planning for 1986-1990.

16-23. A high-ranking delegation of the Ethiopian Worker's Party (EWP), led by Legesse Asfaw, Political Bureau member, Secretary of the EWP Central Committee, and head of its Commission for Organization, pays a friendship visit to Vietnam.

17-24. Delegations of the Soviet, Lao and Kampuchean women's associations pay friendship visits to Vietnam. The delegation of the Soviet Union is led by G. Alyevtina, representative of the Soviet Women's Committee; the Lao delegation by Kampheng Boupha, President of the Lao Patriotic Women's Association; and the Kampuchean delegation by Mean Sam An, President of the Kampuchean Women's Association.

18-24. A 15-member economic and commercial delegation of Indonesia, led by Djukardi Odang, Chairman and General Director of the Pantja Niaga Corporation, pays a visit to Vietnam to exchange views on measures to develop cooperative and trade relations in the near future between Indonesia and Vietnam.

18-24. A delegation of the Indonesian Defence Institute, led by its director, major General Subjato, pays a visit to Vietnam.

21-23. A delegation of the Arab Parliamentary Union, headed by Bouraoui Abdel Rahman, its General Secretary, pays a visit to Vietnam.

22. Prague: Signing of a protocol on cooperation for 1986 between the Ministry of Labour of Czechoslovakia and the Vietnam General Department of Job-training.

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END